Daily Report

Latin America

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FBIS-LAT-96-034 *20 February 1996*

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Guarantors Issue Declaration on Ecuador-Peru Dialogue

PY1602201396 Madrid EFE in Spanish 1646 GMT 16 Feb 96

[FBIS Translated Text] Brasilia, 16 Feb (EFE) — The guarantor countries of the Rio de Janeiro Protocol hope that a decisive effort "by every party" involved in the dialogue between Ecuador and Peru will contribute to make the year 1996 "one recalled for peace."

The foreign ministers of the four peace guarantors (Argentina, Chile, Brazil, and the United States) between Ecuador and Peru today issued a declaration expressing their optimism over a definitive solution to the conflict between the two Andean nations.

According to the foreign ministers, "the loyal way in which the commitments undertaken through the Itamaraty [Brazilian Foreign Ministry] Peace Declaration are being fulfilled has created a unique situation for the definitive solution to the conflict."

The declaration states: "The guarantor countries are certain that all the parties involved will make an utmost effort so that new and decisive steps will be taken to start, with determination and haste, negotiations on technical, judicial, and key issues, so that the year 1996 be recalled as one of peace."

The text of the declaration was disclosed during a ceremony to mark the first anniversary of the Itamaraty Peace Declaration, held at the Brazilian Foreign Ministry building. The ceremony was attended by all the ambassadors of the continent.

The declaration was signed by the foreign ministers of Argentina, Guido Di Tella; Brazil, Luiz Felipe Lampreia; Chile, Jose Miguel Insulza; and U.S. Secretary of State Warren Christopher, and it briefly reviews the peace process.

Ecuadoran Foreign Minister Galo Leoro and Peruvian Foreign Minister Francisco Tudela were also scheduled to attend the event but the foreign ministries of the two countries were unable to reach an agreement over certain words.

Brazilian Foreign Ministry Secretary Sebastiao do Rego Barros said: "This does not undermine the text nor the process, which is very delicate. We have a year of peace, and a development process under way. We believe the phantom of war no longer exists, and that a peaceful solution to the conflict will be found."

The declaration confirms that future "substantive negotiations" that will follow the upcoming meeting in Quito between Leoro and Tudela on 22-23 February will be held in Brasilia, because Brazil is the coordinator of the guarantor countries.

Foreign Minister Lampreia asserted that no date has yet been set for the beginning of this dialogue, and insisted that the guarantor countries do not intend to exert any pressure and that their role will be to expedite things as much as possible in a patient and constructive manner.

In this regard, the declaration states that the negotiations must be autonomous, "so that they may be fully capable of expressing, in the appropriate manner and at the proper time, the development of the peace process."

The only address during this brief ceremony carried out today in Itamaraty Palace was made by Minister Lampreia, who stressed that the "peaceful and definitive" solution to the problems between Ecuador and Peru will benefit stability, development, and South America's international image.

The minister added: "This is not a time to add difficulties to the challenges and risks posed by an increasingly dynamic and competitive world and of straying away from the struggle for a sustainable development with social justice and full democracy in our countries."

Lampreia said that it is necessary to start a dialogue in various fields and look to the future, and for that it is also necessary to promote measures of mutual confidence.

Central American Presidents' 'Tuxtla II' Draft

PA1602153296 Mexico City NOTIMEX in Spanish 2018 GMT 15 Feb 96

[FBIS Translated Text] San Jose, 15 Feb (Notimex) — The Mexican and Central American heads of state and government are preparing to activate a permanent regional forum on trade, cooperation and consultation during the two-day summit meeting called "Tuxtla II" that began here today.

The "Tuxtla II" summit will be framed as part of the political agreements signed during the first Mexico-Central America presidential summit that took place in January 1991 in Tuxtla Gutierrez, capital city of the southern Mexican state of Chiapas from where the gathering took its name.

The foundations for trade, deregulation, economic, energy, and technological cooperation between the six participating countries were established during the first "Tuxtla I" meeting.

Five years afterward, with new economic, political and international conditions prevailing, the presidents are meeting in this capital city to "define, assess, and follow up on the regional agreements between the countries of the area," according to the draft of the Joint Declaration.

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Attending this second summit are Presidents Ernesto Zedillo, from Mexico; Jose Maria Figueres, from Costa Rica; Armando Calderon Sol, from El Salvador; Carlos Roberto Reina from Honduras; Alvaro Arzu from Guatemala and Violeta Chamorro from Nicaragua.

Also taking part in the event are President Ernesto Perez Balladares from Panama and Belizean Prime Minister Manuel Esquivel, both of which are attending the event for the first time.

Since this Thursday afternoon, the eight presidents have been analyzing the new structure that will prevail during future regional relations and that include aspects relevant to issues of cooperation, economy, and politics.

At the "Tuxtla II" summit the presidents will also agree to "organize a heads of state and government meeting every two years, on a rotating basis," as an organization of the new forum that will become activated as the San Jose summit.

"This dialogue and agreement mechanism will be meeting annually, on a rotating basis in every country of the region, at the foreign ministers level," according to the final declaration proposal.

In addition, a high level commission will be established that will be composed of three sub-commissions: one for political affairs, another for economic, commercial, and financial affairs, and a third for regional cooperation.

According to point three of the documents section on decisions, the heads of state will agree to "examine, in an integral manner, the causes and manifestations of the migration phenomenon, acknowledging its regional dimension and the structural factors that motivate it."

Likewise, always according to the proposed declaration, the participants in the San Jose summit approved the adoption of "regional programs of cooperation that will support the development of productivity and trade, particularly in those regions were immigration is strongest."

The presidents will reiterate their determination to "jointly advance, in response to a new regional, hemispheric, and world reality, toward new forms of cooperation in areas that will contribute to guarantee the safety in each one of them."

In order to accomplish this objective, the San Jose summit will approve several projects "related to the struggle against poverty, against the new threats to the security of the states, particularly from drug trafficking and related crimes."

The presidents will point out both the need to combat arms smuggling and organized crime and the urgency to "consolidate democratic institutions and the state of law with full respect for the sovereignty of each country."

Consequently, according to the draft of the Joint Declaration, the presidents will agree "to initiate similar actions" to reinforce information exchange on the different aspects of the drug traffic and consumption problem.

In particular, the presidents will cooperate "in eradicating illegal crops, intercepting drug shipments, and combating criminal organizations engaged in drug traffic, money laundering, and the diverting precursors."

In addition, the Joint Declaration will underline the urgency to intensify the struggle against car theft and the forging of documents. The Declaration will point to the need for "studying coordination mechanisms for the full treatment of the problem."

In the political field, the agreements to be signed also represent commitments on extradition, arms smuggling, and Indian problems.

The final declaration applauds "the results of the Uruguay Round of Talks, GATT, and the creation of the World Trade Organization [WTO].

In general, these facts "constitute a new standard and international framework for the exchange of goods and services and the flow of investments," the document points out.

In the economic field, the presidents will approve "taking a determined action for their countries to quickly and efficiently incorporate themselves into the world economy. The presidents will do this by underlining the recent efforts in matters of bilateral, subregional, and hemispheric integration."

The presidents will also point to the need to give impetus to "the Central American integration process, the creation of the Association of Caribbean States, the existing free trade agreements or those in the process of being negotiated between the area countries."

The presidents will reaffirm "their commitment to establish a free trade zone between their countries, a zone that will be governed by standards and commitments better than those of the WTO."

The document will also highlight the approval of special mechanisms for the creation of a free trade zone, which will make it possible for countries of the so-called "Northern Triangle," (made up of Guatemala, Honduras, and El Salvador) to advance in their negotiations with Mexico.

Once the negotiations between Nicaragua and Mexico conclude, Costa Rica's participation will be sought

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to initiate new negotiations leading to a Free Trade Agreement between Mexico and Central America in general.

In this regard, the presidents will make a commitment "to hold financial relations leading to stronger mechanisms for better economic relations between the eight countries."

The presidents will underline the importance of "Mexico becoming a partner of the Central American Economic Integration Bank" and incorporating new extraregional partners to contribute to the development of the beneficiary countries.

The presidents will also agree "to reiterate their interest in encouraging the flow of capital between our countries, on clear and transparent bases."

In the economic cooperation area, the presidents will agree "to underline the importance of energy cooperation in the region," according to the Joint Declaration.

In this regard, the presidents will underline "Mexico's support in the supply of hydrocarbons and financing through the San Jose Agreement."

According to the final document, the Mexican president "will say that this agreement constitutes one of the most relevant expressions of cooperation with the area countries and that, for this reason, his government is determined to strengthen it."

In addition, President Zedillo will voice Mexico's decision "to adapt the agreement's operational terms to the present situation of the oil sectors in the beneficiary countries."

According to the document, "cooperation agreements in the sectors of tourism, infrastructure, and transport will be approved and economic relations will be strengthened and developed under a shared-benefit criterion."

The presidents will reaffirm "their conviction that international cooperation constitutes an effective means for strengthening solidarity and regional development, as well as for consolidating the peace and stability processes."

The presidents will also express their satisfaction for the results obtained since the creation of the Mexican Commission for Cooperation with Central America in 1990, which was reinforced by agreements signed in 1995.

According to the final statement draft, the "Tuxtla II" summit will attach "the greatest importance to the implementation of high-impact projects for the development of the region in general, projects that can have a bearing in the countries' societies with far-reaching effects."

The San Jose presidential summit will also agree "to give impetus to national efforts and regional cooperation to develop actions aimed at conserving and rationally using natural resources and protecting the ecology."

Panamanian President on Central American Leaders' Summit

PA1702225196 San Jose Radio Reloj in Spanish 1730 GMT 16 Feb 96

[Speech by Panamanian President Ernesto Perez Balladares on the results of the Tuxtla Gutierrez Summit in San Jose, Costa Rica — live]

[FBIS Translated Text] My colleagues have distinguished me with the task of acting as spokesman to summarize the results of this meeting.

First, on the political aspect. The meeting concluded that this is a new phase of Tuxtla. This is an eight-country forum. This consolidates us as a privileged association, using the words of the president of Mexico.

To support this decision, we have created a mechanism of dialogue and coordination to periodically and systematically analyze regional, hemispheric, and world matters. This mechanism will require a presidential summit every two years, an annual foreign ministers' meeting, and an annual meeting of a high-level commission that will be composed of three subcommissions: One on political affairs; one on economic, commercial, and financial affairs; and another on regional cooperation.

To introduce these decisions, the chiefs of state and government have decided to make progress toward a free trade zone while respecting, of course, existing agreements and ongoing negotiations, promoting joint economic programs and regional cooperation programs, in all fields, in support of sustainable development.

To define, evaluate, and follow-up on regional agreements reached among the eight states of the area, we have approved an action plan, annexed to the joint declaration, establishing the necessary guidelines and aspects to quickly and efficiently implement the adopted decisions. This action plan has 26 points, and they will be studied in a coordinated fashion among the eight countries of the area, in most cases.

Another political issue we covered during our talks was that of immigration. It was decided that this issue should be handled from an integral point of view, considering the causes and manifestations of the migratory phenomenon and acknowledging that this

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phenomenon has a regional scope and economic and social reasons.

We agreed that the illegal trafficking of persons is a penal crime, and we will look for ways of establishing it as such in our domestic legal systems.

Another political issue was drug trafficking. The chiefs of state and government have ratified our firm commitment to continue fighting drug trafficking and related crimes, and we will initiate joint actions to strengthen the exchange of information on drug trafficking and drug consumption.

We will adopt measures to eradicate illegal crops and to intercept cargo. We will also analyze coordination mechanisms to treat the problem in its entirety, from production to consumption.

The second big issue was established under the title Economic, Commercial, and Financial Issues.

Regarding free trade, we established that it will include the access to markets, including the elimination of customs and noncustoms barriers on agriculture; agricultural matters; and source, services, and investments regulations, among other things, taking into consideration the relative differences that exist in the development level of the eight participant countries.

The process between our countries and Mexico must lead us to negotiations for a single free trade treaty for the entire area. We have discussed how to assist and increase the program for financing Central American imports and the Beef Program, expanding its benefits to Belize and my own country. Our respective financial authorities will get together on this.

We also discussed energy cooperation, noted the importance this cooperation has had in the region, and pointed to the support Mexico gives in the form of oil supplies through the San Jose Agreement. The president of Mexico said this agreement is one of the most significant and that his government wants to strengthen its mechanisms by adapting its stipulations to the situation of the oil sectors.

The third big aspect was cooperation. We decided to grant more importance to the execution of projects likely to have a big impact on the development of the region as a whole to see integral and multiplying effects in our societies. The action plan outlines specific points of cooperation that correspond to the priorities of the Alliance for Sustainable Development and issues such as the integral development of women and children, the conservation and rational use of natural resources, protection of the ecology, technical training, health, education, protection of our culture, employment, productivity, tourism, and technical cooperation between the various cities and capitals of the isthmus.

This more or less summarizes the intense work of the past two days, listed, of course, in the agreements we just signed.

Thank you, Messrs. Presidents, journalists.

Central American Presidents Reach Agreements at Summit

PA1702194396 Mexico City XEW Television Network in Spanish 0400 GMT 17 Feb 96

[Report by Oscar Zatarain from the "24 Hours" newscast]

[FBIS Translated Text] The presidents of Central America and Mexico, who attended the Tuxtla Gutierrez II Summit, signed in San Jose, Costa Rica, an action plan that includes agreements on political, economic, and cooperation matters. On the political aspect, they pledged to coordinate actions in favor of the rights of immigrants and to fight immigrant smuggling. They will join efforts to redouble the war on drug trafficking and gun running. On economic matters, the heads of state and governments of Central America and Mexico agreed to boost the region's economic integration, create a free trade zone, and promote commerce and investments. They also pledged to negotiate the debts the area countries have with Mexico and expand the benefits of the San Jose Pact, whereby Mexico and Venezuela supply oil to Central America under favorable conditions. On the matter of cooperation, they agreed to modernize the systems to administer justice, fight poverty, prevent diseases, increase literacy, and protect the environment. In order to follow up these topics, the presidents will meet every two years. They also decided to create a commission to handle the three topics of the action plan. The next summit, called Tuxtla Gutierrez III, is to be held in El Salvador in 1998.

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Cuba

Cuban Exile Groups Assist in Blocking Caravan Donations

PA1702155096 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 16 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] New threats have been reported against the U.S.-Cuban Friendship Caravan. The anti-Cuban terrorist group, Alpha 66, has announced it will cooperate with U.S. authorities in trying to prevent the humanitarian aid to Cuba from crossing the border on Saturday. Its communique stated that other groups of Cuban exiles who support the blockade on Cuba will endorse this action. In addition, Mexican daily LA JORNADA today published a U.S. Customs Service document, in which the United States is pressuring Mexico to support the blockade on Cuba and prevent the donations by the U.S. people from crossing the border. The newspaper affirmed that Mexican customs officials denied supporting the anti-Cuban measures.

U.S. Congressman Boucher Ends Visit to Cuba

PA1802122996 Havana PRENSA LATINA in Spanish 1715 GMT 17 Feb 96

[FBIS Translated Text] Havana, 10 Feb (PL) — U.S. Congressman Rick Boucher, who is heading a delegation of legislative officials from his country, today concluded a private visit to Cuba, which started on 11 February.

The U.S. representative from Virginia toured some of the island's economic and social installations, including tourist and scientific facilities.

The group, which is mostly formed of people fond of Cuban tobacco, also visited the "Partagas" tobacco factory.

This attraction to locally made tobacco, which is typical of sectors that have a higher purchasing power, is in vogue in the United States and aims at becoming, according to U.S. analysts, a significant "lobby" [previous word received in English] (pressure group) against Washington's blockade on Havana, which has lasted more than 30 years.

"I am in paradise," one of the members of the delegation said as he entered the stockroom where tobacco is stored in bulk before being packaged, according to a specialist working in this famous factory.

The aides of Democratic Representatives Charles Rangel, Esteban Torres, and John McDermott [name as received], whose votes in the lower chamber have always favored the Caribbean island, accompanied Boucher, who met with high-ranking leaders of the island.

The number of U.S. personalities, including Congressmen William Richardson and Joe Moakley, traveling to Havana has increased in the last few weeks.

A delegation of retired generals and diplomats also stand out in the list of visitors, as well as two nephews of former U.S. President John F. Kennedy and sons of Robert Kennedy, the former U.S. attorney general. Both John F. and Robert Kennedy were assassinated.

Official Questions U.S. Adviser's Remarks on Cuba Ties

PA1902024996 Havana PRENSA LATINA in Spanish 1730 GMT 16 Feb 96

[By Julio Machin]

[FBIS Translated Text] Havana, 16 Feb (PL) — Cuba's relations with the European Union (EU) could reach a new level with the visit that Foreign Minister Roberto Robaina will begin to countries of that region.

Robaina will leave tomorrow for Norway, the first leg of a trip that will cover Finland, Sweden, Denmark, and Italy, places where a growing interest in the island's developments exist. The unique antecedent of this trip is the "spectacular trail" left behind by U.S. President William Clinton's adviser Richard Nuccio, during a recent visit to the region, since he commented on a "new handling" of his country's relations with Cuba.

Nuccio insisted that the U.S. administration will promote and encourage assistance to the Cuban people through nongovernmental agencies (NGO's), without alluding to the coercive nature of United States' 30-year-old blockade on Cuba, which is about to be tightened by the Helms-Burton Bill. He also noted he was convinced the two sides (Washington and the EU) concurred on the topic of Cuba and "blessed" the future signing of a EU-Cuban cooperation agreement by saying that his government welcomed that intention.

Meanwhile, Carlos Fernandez de Cossio, director of the Foreign Ministry's North American office, questioned Nuccio's declaration of purpose, as the latter made a similar trip to Europe prior to the UN's adoption (last October) for the third time and by an overwhelming majority of a motion condemning the blockade on Cuba.

If in fact the U.S. authorities had that humanitarian intention they would not have beaten the Pastors for Peace, an NGO that assists the Cuban people, Fernandez de Cossio told PRENSA LATINA.

The Pastors for Peace, he recalled, not long ago organized a convoy of humanitarian aid to bring to Cuba

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a batch of second-hand computers meant to improve the national health service. The U.S. Department of the Treasury confiscated the computers as they were being taken through the Mexican border.

"I do not understand how they can wish the well-being of our people, when the crux of Washington's encirclement of Havana is to make life impossible for Cubans," the diplomat remarked.

In the opinion of the foreign minister "Cuba has learned to live without the United States," but reiterated that his government will not cease to denounce that Washington's encirclement makes harder any effort to overcome the crisis the country is experiencing.

On the alleged concurrence between Europe and the United States regarding the future of Cuba, analysts of the Cuban congress felt that the former "influence" [Cuba] whereas the latter are trying "to subvert" Cuba through all means, something that is very dangerous, they warned.

In the view of Fernandez de Cossio, Nuccio's remarks seek to sweeten the brutal nature of the U.S. policy toward Cuba by manipulating the aid given by dozens of disinterested North Americans and passing judgment on their merit.

Moreover, during his trip Robaina will have to dispel diverse doubts on the content of the current discussion with European Community circles regarding the possible signing of a bilateral cooperation agreement.

After visiting Havana from 9 to 11 February, Manuel Marin, vice president of the EU that has its headquarters in Brussels, stated that the experts of this entity are awaiting the arrival in March of a Cuban delegation that will explain its country's preliminary stance on the negotiation of that treaty.

As he told the Belgian press, the talks on this agreement will be "lengthy and intense," but, he added, "we will try to seek solutions satisfactory to both sides."

According to Robaina, the only condition for Cuba is respect, and the most important thing on the matter of the talks started with the EU is that they have continued because the two interlocutors have risen above their differences.

In addition, the senior official noted that "Cubans do not live obsessed with this accord."

In the opinion of local analysts, the European officials lack a clear vision of the scope and direction of the reforms that Cuba introduced in the economic system for the purpose of joining the world arena since the Eastern European socialist camp disappeared.

It seems, the experts comment, that quite a number of Europeans are influenced by persons who think the changes in the Cuban economy are moving slowly, an opinion that runs counter the gradual government strategy aimed at avoiding the chaos into which former socialist countries that rushed to introduced reforms have fallen.

Cuban Commentary Views Aid From U.S. NGO's

PA1702040296 Havana Radio Havana Cuba in Spanish 0000 GMT 15 Feb 96

[Commentary from the "Evening Information Review" newscast—read by Norberto Hernadez Valdes]

[FBIS Translated Text] We will hear details of the attempt by the United States to sweeten its irrational [word indistinct] toward Cuba by means of some specific, purported measures of flexibility. Those are the words of the Foreign Ministry, and Radio Havana Cuba comments on them in the voice of our colleague, Norberto Hernandez Valdes.

[Hernandez] The widespread rejection of the economic blockade the U.S. has maintained against Cuba for 34 years continues to grow, while in Washington the most reactionary circles continue to adhere to that irrational policy. The U.S. Government has begun steps with which it seeks to disguise the inhuman nature of the anti-Cuban blockade; that is, the authorization to nongovernment organizations to provide humanitarian aid, accompanied by a large propaganda campaign, that will seek to thwart or lessen the international rejection of the anti-Cuban policy it insists on maintaining.

The ploy gave rise to some speculation that Washington was preparing to lift the blockade or lessen it considerably. The U.S. Department of State has hastened to categorically deny those rumors and speculation, stating that such speculation is ridiculous and that bipartisan consensus exists to maintain the blockade on Cuba until there is fundamental change in the Caribbean nation. The Foreign Ministry has stated that if such an intention were true, U.S. authorities would not have violently crushed the attempt by Pastors for Peace to bring to Cuba computers earmarked for major Cuban health programs. The Solidarity Caravan, organized by the movement of U.S. clergymen called Pastors for Peace, was stopped on the U.S. border with Mexico last week, and Customs officials confiscated the humanitarian freight after manhandling the clergymen who tried to cross the border on foot carrying the computers. The purportedly humanitarian measure to authorize nongovernment U.S. organizations to provide specific economic assistance to Cuba is nothing other than a smokescreen to conceal the

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embarrassing position in which Washington now finds itself because of its hostility toward Cuba.

After being in force for 34 years, the blockade has not succeeded in overpowering the Cuban people and their revolutionary government, nor has it forced them to accept the political tutelage of the United States. The Cuban people, sunken in a grave economic crisis for the past five years, when the Soviet Union and the socialist bloc of Eastern Europe disappeared, have courageously resisted the hardships caused by that situation and have striven with exemplary steadfastness and patriotism to lift the country out of the current major difficulties.

They have already been able to halt the economic slide, and the adjustments measures implemented to incorporate the country into the world market are beginning to yield fruit. Foreign investments in companies associated with the Cuban state are rising, and the idea is taking hold that on a perhaps not too distant day Cuba may be indifferent as to whether the United States lifts the economic and financial blockade it has unsuccessfully maintained against the island. Then, that U.S. policy will be exposed to the world, but no longer because it is inhuman but because of its particularly ridiculous, useless, and arrogant nature.

U.S. Delegation To Visit Cuba's Juragua Nuclear Plant

PA1902183296 Havana Radio Havana Cuba in Spanish 0000 GMT 19 Feb 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] A delegation representing the U.S. Council for the Defense of Natural Resources that has been visiting Cuba for five days will conclude its stay on 19 February after visiting economically important sites, including the nuclear power plant in Juragau, Cienfuegos Province.

The delegation, which consists of U.S. environmental experts, led by John Adams, head of the National Council for the Defense of Natural Resources, has acknowledged the assistance offered by the Cuban authorities in helping them understand the reality of the island, mainly in ecological areas.

Robert and Michael Kennedy, nephews of deceased U.S. President John F. Kennedy, are accompanying the experts in atomic energy or sources of alternative energy who are part of the delegation.

Russian Official To Visit Cuba's Juragua Nuclear Plant

PA1802144496 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Feb 96

[From the "National Radio News" newscast]

[FBIS Translated Text] Russian Atomic Energy Minister Viktor Mikhaylov traveled to Havana today to discuss with Cuban authorities the program aimed at completing the Juragua nuclear power plant in Cienfuegos Province.

Organizational and financial aspects of the program to complete the plant will be broached by Mikhaylov with Cuban authorities. Construction work on Juragua was halted in 1990 for economic reasons.

A spokesman for the Russian Atomic Energy Ministry has given assurance to the ITAR-TASS news service that the official will look into probable mechanisms of financing for the atomic power plant project. The minister will visit the completed works and those that were left pending when work ceased.

Shortly before leaving for our country, the Russian minister met with Cuban Ambassador to Russia Carlos Palmarola, with whom he spoke about prospects for cooperation in this sphere, among other topics.

It was learned that Mikhaylov is confident that other investment partners will soon join, which will permit completion of the important project. The visit by the Russian atomic energy minister takes place within the framework of the recent visit to Cuba by Oleg Soskovets, first deputy chairman of the government, to create a joint group to seek third partners and make viable the delivery of a $30 million loan granted by Moscow for the plant's upkeep.

The Juragua nuclear power plant will operate VER-440 water reactors with maximum security failsafe systems certified by the International Atomic Energy Agency.

Russian Official Arrives in Cuba for Nuclear Plant Talks

LD1802155696 Moscow ITAR-TASS in English 1302 GMT 18 Feb 96

[By ITAR-TASS correspondent by Konstantin Zhukovskiy]

[FBIS Transcribed Text] HAVANA, February 18 — "The main aim of my visit is the nuclear power plant in Juragua, now under construction," said Russian Nuclear Energy Minister Viktor Mikhailov who arrived in Cuba on a five-day working visit on Sunday.

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The minister explained in an interview with journalists at the Jose Marti airport that this is his first visit to Cuba during which he plans to visit the nuclear plant and inspect its state.

"As a professional nuclear physicist, I am interested, above all, in this sphere," Mikhailov noted.

According to the Russian minister, he will also discuss questions on completing the plant's construction in order to put it into operation even in this century, at least its first unit. "I believe that this is a realistic task, and it should be fulfilled," Mikhailov continued.

Russian first vice-premier Oleg Soskovets who was on an official visit in Cuba last October, visited the nuclear plant, the construction of which started in 1982.

Following this visit, the sides set up a Russian-Cuban working group, the task of which is, among other things, to organise an international consortium to complete the plant's construction.

The German firm Siemens, a British bank and Brazilian private firms display interest in participating in such a consortium.

Cuban Official on Drafting Drug Law, Countering Drugs

PA1902004296 Havana PRENSA LATINA in Spanish 2300 GMT 18 Feb 96

[FBIS Translated Text] Havana, 18 Feb (PL) — Cuban Justice Minister Carlos Amat announced today, that this ministry will analyze and prepare the first draft of the drug law during 1996, although — he asserted — such a problem does not exist in the island.

"We do not have this social problem among the young people or in the workers sector. Our youth cannot be healthier (...) they drink rum and beer, have a good time but their minds are not set on drugs as is the case in other countries," Amat stated to the JUVENTUD REBELDE weekly.

The minister admitted there have been some isolated incidents of use and trafficking of the so-called light drugs but, he noted, it has been very occasional and always related to specific marginal groups in society.

He underscored that Cuba does not have a "cartel," mafia groups, or organized crime, and that the criminal organization needed to sell those products simply does not exist in the country.

There are no marijuana plantations on the island, although, not to sound perfect, Amat said, there could be people who have plants concealed in some places. However, our laws are very strict in this sense and the person who grows illegal crops knows he will lose his land immediately and could be given up to 20 years in prison, he noted.

Furthermore, he said, Cuba has signed important bilateral drug agreements with many Latin American and Caribbean countries, especially those in our geographic sphere.

Amat asserted that up to now the United States does not have the will to introduce this issue in their bilateral talks to be able to face it jointly. There have been, however, a few contacts with U.S. Drug Department officials to unofficially exchange information that is useful to both parties, he observed.

"We will continue to act with a hard hand wherever a drug activity center arises (...) People who risk getting involved in this type of business have to know that it can cost them very dearly," the Justice Minister concluded.

Amat's statements take place a few days after custom officials in the eastern Santiago de Cuba province foiled a cocaine shipment that was on board a Belizean vessel that docked at their port — approximately 850 km to the east of Havana — due to technical problems.

[A similar, 300-word report from Madrid EFE in Spanish at 2226 GMT on 18 February, adds: "Amat said the United States 'does not have the will to introduce the issue in bilateral talks to confront it together' and added that there have been some contacts with DEA officials to exchange information unofficially. 'The United States is the most affected because it is the one that has the problem. In fact, we are spending our resources and efforts to guard their borders because the destination of the traffic we detect is going to that country, not ours,' he observed."]

Solidarity With Cuba National Meeting Hosted by Mexico

PA1902215096 Havana Radio Reloj Network in Spanish 2030 GMT 18 Feb 96

[From the "Weekly Review" newscast]

[FBIS Translated Text] Mexico will host a solidarity with Cuba meeting. Political parties, the Mexican community, and student social organizations, plan to host a national meeting to promote solidarity with Cuba in the face of U.S. hostilities against the island.

The U.S. Government once again intends to impose its will in this unipolar world in which we live. The meeting's organizing committee states in a declaration that the United States insists in its genocidal obsession to defeat the brotherly country through starvation. The document continues to say that the only alleged fault of

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the Cubans has been to build a just society and not heed the dictates of the empire.

The Mexican organizations that have summoned for a national solidarity and friendship with Cuba meeting scheduled for the 24 and 25 of February, emphasize that this new and increasingly dangerous maneuver demands a swift response.

Cuban, Mexican Authorities Sign Cooperation Agreement

PA1602230696 Havana PRENSA LATINA in Spanish 2318 GMT 15 Feb 96

[By Miguel Lozano]

[FBIS Translated Text] Mexico City, 15 Feb (PL) — Cuban and Mexican authorities today signed a cooperation agreement to promote development. This agreement benefits more than 10 economic, scientific, and technological sectors with 112 cooperation projects for this year.

Abelardo Curbelo, Cuban ambassador to Mexico, has told PRENSA LATINA that the agreement reached as a result of the 18th meeting of the Joint Cooperation Commission has confirmed the upward trend being experienced in every field of bilateral relations.

According to Curbelo, the growth of Cuban-Mexican ties is becoming evident in every field despite their present economic difficulties. This growth is laying the foundation for greater and more sustained progress in the future.

Raul Taladrid, Cuban vice minister of foreign investment and economic cooperation, and Gustavo Chapela, assistant director of Mexico's National Council for Science and Technology, signed this agreement, which establishes a 70 percent fulfillment of the plans for 1995 and sets forth the guidelines for cooperation in 1996.

Representatives from both countries believe the level of cooperation that was achieved last year was satisfactory if economic conditions are taken into consideration.

Chapela said difficult times actually provide opportunities for cooperation so as to benefit both states with mutual understanding.

Meanwhile, Taldrid underscored how both countries had adjusted to their new reality. In addition, he emphasized the participation of more institutions into the cooperation program with Cuba, a country which is endowed with riches and diversity.

Both countries in 1995 worked in 108 cooperation projects that allowed 90 Cuban specialists to travel to Mexico and 47 Mexican specialists to travel to Cuba. Both countries have now agreed to carry out 112 joint projects, most of which are expected to yield profitable results.

This agreement includes agriculture, construction, fisheries, industry, basic research services, and health and human resources, among other areas. In addition, each country will grant 30 scholarships in 1996 besides an additional program to increase this number to 100 scholarships, which Mexico had granted in the past.

Cuba has designated the following as its priorities: Health, education, social security, and various economic areas as well as export promotion and the rapid incorporation of scientific and research results into production and foreign trade.

Mexico's priorities include basic education, the dissemination of science and technology, the application of biotechnology into tropical agriculture, and the development of pharmaceutical research.

Moreover, both delegations have agreed to establish a work team to study the development of links between Mexico's southeastern states and Cuba and another work team to discuss topics related to joint research, technological development, and environmental protection.

Mexican Businessmen To Increase Investment in Cuba

PA1902173596 Havana Radio Havana Cuba in Spanish 1300 GMT 18 Feb 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] In Mexico City, Raul Taladrid, deputy minister of foreign investment and economic cooperation, has said Mexican businessmen are interested in increasing investments in Cuba.

Taladrid has headed the Cuban delegation attending the 18th meeting of the joint commission for cooperation development. He has termed the meeting as satisfactory, adding that a group of Mexican businessmen will travel to Cuba in April or May as a result of that meeting. The businessmen received information on the areas open to negotiations, especially in the manufacturing sector and light industry.

The meeting also discussed ways of developing links between the industries of both countries to increase supplies for the constantly growing Cuban tourist market.

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Cuba Confirms 'Full Guarantees' for Foreign Investors

PA1702142796 Havana PRENSA LATINA in Spanish 1535 GMT 16 Feb 96

[By Raimundo Lopez]

[FBIS Translated Text] Mexico City, 16 Feb (PL) — Cuba's willingness to promote foreign investment with full guarantees and mutual benefits to contribute to its development was confirmed in this capital by Raul Taladrid, vice minister of Foreign Investment and Economic Cooperation.

Taladrid explained that this process began in his country in 1982, when it had just begun relations with the former socialist bloc led by the then Soviet Union.

It is not an opportunistic policy, compelled by the circumstances of the adverse current situation triggered by outside sources, but it is designed to facilitate the country's development, he pointed out.

He explained that currently, due to pressure exerted by the United States, which has maintained a tight embargo on Cuba for more than 30 years, the entry of foreign capital is virtually Havana's only source of foreign financing.

He recalled that the flow of investors increased in the beginning of the 20th Century, in the wake of the U.S. military intervention in the War of Independence against Spain.

He added that the United States seized, at low prices, the riches of the island, thus deforming its economy and turning it into the sole producer of sugar and a dependent of Washington in a neo-colonial way.

This is the type of investment we will never allow, Taladrid stressed after saying that following the people's victory over the dictatorship of General Fulgencio Batista, the Cubans became the true owners of their country.

This week, Taladrid participated here in negotiations with Mexican authorities. As a result of these negotiations, he yesterday signed a cooperation agreement that comprises more than 10 economic, scientific, and technical sectors, with 112 cooperation projects for this year.

Last night, Taladrid was also the keynote speaker during the presentation of four books on the process of foreign investments in Cuba. Businessmen, financial experts, and other Mexicans interested in the topic attended this ceremony.

To this effect, the Cuban official said that the Law on Foreign Investments, approved by the Parliament last year, has been quite welcomed in international economic circles.

He explained that this law offers full guarantees to investors and the most modern conditions to operate in Cuba, in addition to an atmosphere of social stability quite difficult to find anywhere else in the world.

Cuban Foreign Minister Departs For Northern Europe

PA1702145896 Havana Radio Havana Cuba in Spanish 1300 GMT 17 Feb 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Foreign Minister Roberto Robaina is leaving Havana on Saturday for Northern Europe. The chief foreign policy maker will fly to visit Norway, Denmark, Finland, and Sweden. Robaina's trip to Europe also includes a visit to Italy, where he will make contacts with local authorities to contribute to the dialogue between Cuba and the European Union.

Cuba's Robaina Meets With Iranian Envoy in Havana

LD1702160996 Tehran IRNA in English 1437 GMT 17 Feb 96

[FBIS Transcribed Text] Tehran, Feb. 17, IRNA — Cuban Foreign Minister Roberto Robaina Gonzales said on Friday [16 February] that Havana would follow up at international forums and the Non-Aligned Movement (NAM) the U.S. measure in allocating a fund for subversive actions against Iran.

In a meeting with Iranian Ambassador to Havana Mas'ud Edrisi, Gonzales said that Havana too would adopt a stance vis-a-vis the U.S. scheme.

He expressed hope that Foreign Minister 'Ali Akbar Velayati would soon pay an official visit to Cuba.

Edrisi in return submitted a written message from Velayati to his Cuban counterpart.

Brazilian Communications Minister Arrives in Cuba 17 Feb

PA1702154796 Havana PRENSA LATINA in Spanish 0604 GMT 17 Feb 96

[FBIS Translated Text] Havana, 17 Feb (PL) — Brazilian Communications Minister Sergio Motta arrives today in Havana, accepting an official invitation by his Cuban counterpart Silvano Colas. During his stay in Cuba, the Brazilian official will meet with leaders of the state and government and tour communications centers and areas of scientific interest, according to the schedule to which PRENSA LATINA had access.

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Motta plans to hold meetings at the Foreign Ministry building and with Council of Ministers Vice President Jose Ramon Fernandez. During his stay in Havana, he will sign an agreement on scientific, technical, and technological cooperation to promote and develop the postal service and telecommunications between the two countries.

The visit by the Brazilian communications minister to the island, will raise to seven the number of personalities and delegations, including two solidarity flights, from that South American country to have visited the country on official missions so far this year.

All of them, from Parara Senator Roberto Requiao, Brasilia Governor Cristovam Buarque, Transportation Minister Odacir Klein, and, more recently, Rio Grande Do Sul Governor Antonio Britto Filho, have expressed their willingness to cooperate with Cuba in their areas of expertise.

Cuba's R. Castro: Military To Continue Deterrence Actions

PA1702162896 Havana PRENSA LATINA in Spanish 1420 GMT 17 Feb 96

[FBIS Translated Text] Havana, 17 Feb (PL) — General Raul Castro Ruz, Revolutionary Armed Forces [FAR] minister, today affirmed that his institution will continue to conduct military actions to deter the enemy from attacking Cuba.

Castro, who is also the first vice president of this Caribbean nation, added that the FAR does not just intend to avoid a foreign invasion, but it also intends to lead the country to victory in case that "the enemy becomes heartened by his economic and military power," he stressed.

According to the newspaper GRANMA, the official mouthpiece of the Communist Party of Cuba, Raul Castro participated yesterday in a exercise of military chiefs in the country's eastern region, where he paid special attention to the contribution the military units are making to feed the people.

In that respect, the newspaper noted, the senior officer visited the fish feeding tanks, managed by an artillery regiment to supply the area's fisheries.

During his visit to the theater of operations, Castro voiced his satisfaction over the repairs of the fortified works and the vitality of the troops.

A group of retired U.S. generals recently expressed a similar opinion of the island's defense. They visited different military units and watched tactical maneuvers by small FAR units.

The Cuban military doctrine for the defense of the territory envisions the participation of regular troops and people's militias, as well as production and defense brigades that will be in charge of logistical supplies in case of attack.

Cuba's Western Army Begins Training, Preparation Year

PA1702182796 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 16 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] The Western Army today began its defense training and preparation year. Division General Leopoldo Cintra Frias and Estaban Lazo and Candido Palmero, also members of the Politburo of the Communist Party of Cuba, presided over the inaugural military ceremony. An antiaircraft unit welcomed representatives from the command and force (?groups) of the Western Army. The results of last year were assessed, and the tasks for the current year were announced on the matter of preparation and the willingness of the troops to fight. Colonel Ulises Marrero, chief of the Playa Giron Air Brigade, talked about the purpose of reaching the status of the FAR's best command group.

[Begin Marrero recording, in progress] ... and in this way, we will make the Western Army the vanguard of the great army of the people. [end recording] Division General Ulises Rosales del Toro, chief of the General Staff, rated as excellent the Western Army's maneuvers of last December. To consolidate and further improve on the results of 1995 are the priorities of 1996.

Commentary Discusses Work of Cuban Military Industries

PA1802031496 Havana Radio Havana Cuba in Spanish 0000 GMT 16 Feb 96

[Commentary by Marianela Samper; from the "Evening Information Review" newscast]

[FBIS Translated Text] The Cuban improvement process in business started as an experiment in the Commander Ernesto Guevara military industrial enterprise in Villa Clara province in 1988. The results, which gave businessmen all assurances of success, were consolidated and extended, and the Union of Military Industries was created. Last year, the union ended with a production growth rate of more than 18 percent. For 1996, there are plans to increase the production volume by 14 percent, increase profits and exports, and update the equipment. For this, the union entrepreneurs intend to take advantage of all market possibilities by listening

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to commercial cooperation proposals, manufacturing competitive products, and hiring efficient dealers.

It is worth mentioning that this purpose of the Union of Military Industries is also useful for the country's Revolutionary Armed Forces. Last year, 32 percent of its production was destined for the island's civilian economic sectors. Among articles capable of competing in quality, price, and safe technology are ballast for fluorescent lamps, safes, home bags, hotel and refrigeration articles, conveyors, and industrial belts. The union also repairs civilian planes. As for naval industry, the union possesses a strong infrastructure, with well-located shipyards and qualified personnel. To give two illustrations, the shipyards south of Cienfuegos serve the Caribbean basin and the one in Cardenas in Matanzas province can improve its service with the increasing number of yachts in the Varadero beach resort.

The union also repairs vehicles, does carpentry work involving aluminum, manufactures pharmaceutical industry and agricultural equipment, and does all kinds of foundry work. These military industries set the pace in economic efficiency. Hence they serve as an example for other civilian production centers.

University Study: Cuba Population Reaches 11 Million

PA1702015396 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 14 Feb 96

[Report by Maribel Puerto from the "NTV" newscast]

[FBIS Translated Text] Cuba has a population of 11 million, as announced during the presentation of a study entitled "Cuba: Transition of Fertility, Social Change, and Reproductive Behavior."

[Puerto] Experts of the Havana University Demographics Study Center, the Statistics Office, and the Public Health Ministry have carried out the study on fertility in Cuba. UNICEF and UNCHS [United Nations Center for Human Settlements], two major UN offices in our country, have provided financial assistance for this study.

In presenting the document, the UNICEF representative in Cuba, Mr. Zuniga [first name not given] discussed the value of research in policy decisions, basically in the fields of public health and education. Mr. (Rosembau) [first name not given], UNCHS director for Mexico and Cuba, said the achievements in research are seen in lower fertility and infant mortality rates, which are mainly possible thanks to the concern the government has always had to provide primary health care to the Cuban people.

Cuban 'Doing Radio' Program Wins Award in Radio Festival

PA1702191696 Havana Radio Rebelde Network in Spanish 1800 GMT 15 Feb 96

[From the "National Radio News" newscast]

[FBIS Translated Text] For the 19th time, the Cuban Institute of Radio and Television has organized the Cuban Radio Festival to select the best national radio programs in different categories that cover the listeners' choices. Radio Rebelde picked up another award in this festival. Reporter Perla Marina Alcover has the details.

[Begin recording] [Alcover] The "Doing Radio" newscast won the Grand Prize in the category of information review in the Cuban Radio Festival that is being held in San Jose de las Lajas Municipality until 24 February. For our listeners, and on behalf of the whole "Doing Radio" staff, here is a message from its General Director Humberto Gonzalez Bordui and anchorman Felix Fernando Garrido.

[Gonzalez] We wanted to attain the first place that the newscast had achieved since its beginnings in the manner in which Jorge Ibarra Zabaleta produced it.

[Garrido] As the program anchorman, I felt "Doing Radio" had much ground to cover in its attempt to be the eyes, ears, and heart of the Cuban people. We feel this prize is just a starting point to reach new objectives. For that reason I believe that the work of the reporters, assistant reporters, technicians, those who in one way or another guarantee our broadcasts, even if transmitter side operators are available.... [pauses] I would say that "Doing Radio" has the challenge or commitment to ensure more and more boldness and efficiency in reporting the news in every job we perform in every newscast that goes on the air, precisely to guarantee or meet the expectations the Cuban people have regarding Radio Rebelde.

[Alcover] Radio Rebelde is proud to accept this award, the Grand Prize of the Cuban Radio Festival for the category of information review. [end recording]

Cuban Politburo Members' Activities Through 12 Feb

PA1602181896

[FBIS Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 12 February.

The National Coordination Board of the Committee for the Defense of the Revolution (CDR) has handed

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out the first Neighborhood Awards to persons who have distinguished themselves for their work in their neighborhoods. Attending the ceremony were Politburo members Esteban Lazo, Jose Ramon Balaguer, and Ramon Prieto, and other leaders. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 7 Feb 96)

Division General Ulises Rosales Del Toro met today with a U.S. delegation comprising retired officers, scholars, and diplomats. This is the second of these meetings since the delegation arrived in Cuba. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 9 Feb 96)

Pedro Ross Leal and Jose Ramon Balaguer presided over the Sixth Provincial Cuban Workers Federation Congress In Guantanamo Province, attended by over 300 delegates. The debates began with the topic of the great contribution that the labor movement can make to achieving an efficient sugarcane harvest. (Havana Radio Rebelde Network in Spanish 1800 GMT 10 Feb 96)

Yadira Garcia and Ricardo Alarcon were present at a meeting of the Matanzas Provincial Assembly of the People's Government, in which Rafael Gonzalez Perez, director of the National Tax Administration Office, explained the scope and goals of the new tax law. (Havana Radio Rebelde Network in Spanish 1800 GMT 10 Feb 96)

General Ulises Rosales Del Toro presided over the ceremony that the Revolutionary Armed Forces and the Ministry of the Revolutionary Armed Forces held in Cacahual to pay homage to Cuban Independence War hero Antonio Maceo. Another politburo member, Concepcion Campa was also present at the ceremony. (Havana Cubavision Network in Spanish 0100 GMT 11 Feb 96)

Pedro Ross Leal and Jose Ramon Balaguer presided over the sixth CTC provincial meeting held in Granma Province that centered on labor reorganization, the current legislation, economic efficiency, the food program, and the recovery of the sugar industry. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 12 Feb 96)

Roundup of Cuban Sugarcane Developments Through 18 Feb

PA1802235696

[FBIS Report] The following is a compilation of reports on sugarcane and sugar industry developments in Cuba monitored through 18 February.

The Candido Gonzalez Agro-industrial Complex in Camaguey was the first to reach sugar harvest objectives in Cuba during the present campaign. It also registered best harvest in 15 years. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 13 Feb 96)

The Colosio Antonio Vitera Agroindustrial Complex, CAI, in Las Tunas is ready to restart activities and grind 1.29 million arrobas of sugarcane after delays due to heavy rains. The CAI produces 29 percent of the province's sugar production. (Havana Tele Rebelde and Cubavision Networks in Spanish 1800 GMT 18 Feb 96)

Sugarcane cutters in Sancti Spiritus are applying new cutting methods, which reduce productivity, but guarantee better raw material. The Panama and Paraguay brigades have already cut 1 million arrobas of sugarcane during the first month of harvest. (Havana Tele Rebelde and Cubavision Networks in Spanish 1800 GMT 18 Feb 96)

Haiti

Haiti's Preval Designates Rosny Smarth as Prime Minister

PA1602141396 Port-au-Prince Signal FM Radio in French 1130 GMT 16 Feb 96

[From the "Waking Up Newscast"]

[FBIS Translated Excerpt] I talked to you at the beginning of the newscast about the designation of a new prime minister: Rosny Smarth. After several days of bargaining, the nomination is effective. It is signed by Rene Preval, the president of the Republic who has decided to choose an agronomist. We are going to present now the profile of Rosny Smart.

Rosny Smarth is an agro-economist. He is 55 year old. He was born in Cavaillon on 9 October 1940. Smarth has a diploma in agricultural economy from Santiago, Chile where he studied from 1963 to 1968. Previously, Smarth had studied at the Faculty of Law in Port-au-Prince from 1961 to 1963. He is the current director of the Center for Social Research and Popular Diffusion [Centre de Recherche Sociale et de Diffusion Populaire — CRESDIP]. He worked as agrarian adviser to former Minister Severin, coordinator of ANDA [expansion unknown], Rosny Smarth, the new prime minister-designate, worked for the government of Eduardo Frei in Chile. He was professor at the Social Assistance School of Santiago. Smarth worked in 1971 at the Corporation of Land Reform for Salvador Allende.

This was the profile of Rosny Smarth who was designated last night by the President Rene Preval. [passage omitted]

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Haitian Senate, Chamber View Choice of Prime Minister

PA1702002996 Port-au-Prince Radio Metropole in French 2100 GMT 16 Feb 96

[FBIS Translated Excerpt] According to Senate President Edgard Leblanc, the Parliament's process of ratifying the choice of the prime minister will not take long if the prime minister chosen by the president comes prepared with all the necessary documents required by the Constitution. [passage omitted]

Fritz Robert Saint-Paul, president of the Chamber of Deputies, hails Preval's choice of Mr. Rosny Smarth as new prime minister. According to Deputy Fritz Robert Saint-Paul, the choice of Mr. Rosny Smarth meets the requirements most Lavalas parliamentarians wished the prime minister to meet. So, the president of the Chamber of Deputies thinks President Rene Preval's choice will not have any difficulties going through parliament. [passage omitted]

Radio: Nomination of Haiti's Smarth Likely To Be Ratified

PA1702003696 Port-au-Prince Radio Metropole in French 2000 GMT 16 Feb 96

[FBIS Translated Text] The president of the Republic has not yet sent to parliamentary authorities the official letter nominating Mr. Rosny Smarth as prime minister, however, according to the president of the Chamber of Deputies, the deputies will very likely vote for the nomination of Mr. Rosny Smarth to the post of prime minister.

Radio on Background of Haitian Prime Minister Nominee

PA1702004696 Port-au-Prince Radio Metropole in French 2100 GMT 16 Feb 96

[FBIS Translated Excerpt] President Preval has chosen Rosny Smarth, a 55-year-old agro-economist of the Haitian Progressive Movement, as prime minister. Smarth is the brother of Father William Smarth, one of the main representatives of the liberation theology trend in Haiti and a close friend of former President Aristide. [passage omitted]

Preval chose Smarth after many negotiations with the presidential party. Parliament, that is, the Senate and the Chamber of Deputies, has to approve Smarth as well as his general policy statement before he takes office officially.

Haiti's Lavalas Leader: Choice of Prime Minister 'Good'

PA1702010496 Port-au-Prince Radio Metropole in French 2100 GMT 16 Feb 96

[FBIS Translated Text] Reacting to the designation of the prime minister, Gerard Pierre-Charles, one of the leaders of the Lavalas Political Organization whose name was being mentioned as prime minister, has said President Preval's choice is a good one, but he has said much time had passed from when Preval was sworn in to when he nominated the prime minister. Many mutual discussions have concluded with the choice of a prime minister who comes from the majority party in Parliament:

[Begin Pierre-Charles recording] Many people are asking questions. As for me, I believe we are merely experiencing the process of democratic initiation, which is a new thing.

We have always said Haiti has embarked on a reestablishment of democracy. Within this reestablishment, there are new constitutional requirements and new mechanisms. We have to learn them in a spirit of tolerance, discussion. Thus, we believe there was a week of discussions between the various parties and the president of the Republic. Based on those discussions, we have reached such an agreement without conflicts, understanding one another's viewpoints. We believe it is a good agreement, because we now have a prime minister who comes from the majority party, as stipulated in the Constitution. [end recording]

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Mexican Communique: U.S. Cannot Judge Countries on Drugs

PA1802221696 Madrid EFE in Spanish 1926 GMT 18 Feb 96

[FBIS Translated Text] Mexico, 18 Feb (EFE) — The government has voiced its unhappiness over the U.S. plan to "sanction" Mexico for its lukewarmness in fighting drugs and said "it would be very difficult to understand that the main consumer of illegal drugs in the world takes on the role of judge of other nations."

A Foreign Secretariat [SRE] communique harshly responds to THE NEW YORK TIMES report that mentions the possibility that U.S. President Bill Clinton will withdraw from Mexico its goodwill "certificate" on the war on drugs.

"The Mexican Government does not grant any legitimacy to the so-called certification process because it counters the principle of equality among nations based on international law," and constitutes "an interventionist practice."

In addition, according to the SRE, the "certification" only takes into consideration the drug policy of the producing or transshipment countries, and "it would be very difficult to understand that the main consumer of illegal drugs in the world takes on the role of judge of other nations." The SRE lists the most outstanding actions of Mexico's war on drugs, such as the arrest and subsequent extradition to the United States of alleged Gulf Cartel boss Juan Garcia Abrego.

This week, the National Defense Secretariat released an annual report on its actions against drug trafficking in which it mentioned that 355,625 marijuana and poppy plants and 309 clandestine landing strips were destroyed in 1995. The reported noted that 7.7 tons of cocaine and 259 tons of marijuana were seized.

Mexico 'Does Not Recognize' U.S. Certification Legitimacy

PA1902153796 Mexico City XEW Television Network in Spanish 1300 GMT 19 Feb 96

[From the "Upon Awakening" newscast]

[FBIS Translated Text] U.S. President Bill Clinton has considered the possibility of excluding Mexico from the list of countries that have advanced in the fight against drug trafficking, according to what a White House official has announced. He has said, however, this does not necessarily mean the imposition of economic sanctions. This is how Mexico is facing the possibility of being included on the list of nations traditionally associated with drug trafficking, such as Colombia, Bolivia, Afghanistan, and Burma.

The period for the annual certification the United States grants to the countries committed to fight drug trafficking expires on 1 March.

The 18 February issue of THE NEW YORK TIMES reported that President Clinton is being forced to make a decision due to abundant intelligence reports pointing to Mexico as the main port of entry to the United States of cocaine, methamphetamines, marijuana, and heroin. According to the newspaper report, Colombians, instead of paying the Mexican teamsters with money, more frequently do so with drugs.

In response, the Mexican General Consulate in New York has sent a letter to the editor of THE NEW YORK TIMES. The Foreign Relations Secretariat has made this letter public. Following are excerpts of it:

First, the Mexican Government does not recognize that the so-called certification process has any legitimacy, because it contravenes the principle of equality among nations, according to international law. Mexico believes the certification is an interventionist practice in the internal affairs of states. In addition, the Mexican Government believes it would be very difficult to understand that the world's largest consumer of illegal drugs is playing the role of judging other nations.

Mexico made significant achievements in matters pertaining to the drug trafficking fight in 1995, as large criminal organizations were disbanded and as Hector El Guero Palma and Juan Garcia Abrego were arrested.

The White House and the State and Justice Departments have stated that the level of drug cooperation between Mexico and the United States is now better than ever; thus, Mexico does not accept the certification process or being judged as having a bad attitude regarding the fight against drugs.

We must note that it is true that Mexico must fight this drug trafficking phenomenon, which the president of the republic has described as the main enemy of national security. Mexico cannot allow drug trafficking gangs to proliferate and must decidedly fight this social cancer; it is the truth, but it is also true that our country would not be a stepping stone for drug traffickers if the huge drug consumption market that uses all types of drugs in the United States did not exist. The products would not exist if no one consumes them. The more people consume them and the more difficult it is to send them here, the more expensive they are; this is why this business is a gigantic one that has been able to erode societies a great deal. It has penetrated everywhere until becoming the main, national, security problem for many countries.

What the Mexican Foreign Secretariat has stated in response to this likely noncertification for Mexico is

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true. The problem we have in Mexico would not exist if there were not so much consumption in the United States, the leader in drug consumption. We have to fight drug trafficking, and the U.S. Government should fight against the proliferation of drug consumption, particularly among young U.S. residents. It is killing that society.

Mexico Proposes 'Ambitious' Agreement With Mercosur

PY1902223996 Brasilia Radio Nacional da Amazonia Network in Portuguese 2200 GMT 19 Feb 96

[Report by Flavio Figueiredo in Mexico City]

[FBIS Translated Text] Mexico is seeking to close a broad agreement with member countries of the Common Market of the South [Mercosur]. A proposal to this effect was made here today during the first working meeting between Brazilian President Fernando Henrique Cardoso and his Mexican counterpart, Ernesto Zedillo.

According to Brazilian Foreign Minister Luiz Felipe Lampreia, the Mexican proposal is even more ambitious than the Mercosur agreement itself and the other agreements signed by Brazil with Chile and Bolivia. Lampreia said that the proposal entails not only lowering trade tariffs, but also extending commercial ties to the services area — especially in transportation, telecommunications, and consulting services. Furthermore, the proposal includes joint provisions to protect intellectual property rights.

President Cardoso could not give an immediate answer to his Mexican counterpart about the proposal due to two reasons: First, the subject is complex and more details are needed; and second, Brazil can only make a decision after consulting with its Mercosur partners.

During a visit with the Federal District Department chief, Cardoso said negotiations will be held on the Mexican proposal and noted that it is proof of the strength of Mercosur.

[Begin Cardoso recording] This is proof of the strength of Mercosur and of Mexico's interest in diversifying its relations. We will now have to confer with our Mercosur partners. We are working on a similar agreement with Chile. Now, the fact that Mexico is a member of NAFTA presents a new problem. This is proof of how important Mercosur is and how Mexico is trying to strengthen its ties with Latin America. [end recording]

In a ceremony held at the Federal District Department chief's office, President Cardoso received the key to the city, was declared an illustrious guest, and attended a traditional show. He later went to the Brazilian Embassy, where he is having lunch at this moment. Beginning at 1730 Mexican time, Cardoso will meet with Mexican politicians, and this evening he will attend a dinner reception hosted by President Zedillo.

Mexico 'Surprised' Brazil With Trade Proposal

PY2002013696 Sao Paulo AGENCIA ESTADO in Portuguese 2308 GMT 19 Feb 96

[Report by Paulo Sotero]

[FBIS Translated Excerpt] Mexico City, 19 Feb (AE) — Mexican President Ernesto Zedillo Ponce de Leon today surprised Brazilian President Fernando Henrique Cardoso when he proposed that Mexico and Brazil sign a trade agreement that would be even more ambitious than the Mercosur [Common Market of the South] and NAFTA. During the official welcoming ceremony held earlier in the main yard of the National Palace — the seat of the Mexican Government, which is located in the historic center of the Mexican capital — Zedillo had only talked about "an strategic alliance."

The Brazilian president has given a cautious response to the Mexican proposal. [passage omitted] Speaking at a formal dinner hosted for him by President Zedillo at the National Palace, Cardoso tonight reiterated Brazil's interest in intensifying economic ties and trade with Mexico. He noted, however, that "to achieve this, in addition to our political decision, we must get to know each other better."

The Brazilian Foreign Ministry did not learn about the Mexican proposal until the night of 18 February. Brazilian Foreign Minister Luiz Felipe Lampreia has stated that Brazil, as a member of a customs union, cannot enter into trade agreements separately from Argentina, Uruguay, and Paraguay — its three Mercosur partners. Mexico is a signatory to an agreement calling for tariff reductions with its North American neighbors, but it may seek agreements with third countries outside of NAFTA. Lampreia said: "Thus, Brazil will have to study the matter with the governments of the other three Mercosur members."

Lampreia had said earlier that Brazil would like to have more details about the Mexican proposal, which was made in general terms. The proposal entails a substantive reduction of tariffs, the expansion of integration efforts into services, and an agreement on protecting intellectual property rights. He said: "Although all these topics are already included in commitments made by the two countries before the WTO, the Mexican Government is proposing to go beyond the WTO terms and even beyond the agreements Mercosur is negotiating with Bolivia and Chile."

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There is an obvious economic reason behind the Mexican initiative: The deep economic crisis provoked by the December 1994 financial collapse has caused Mexican officials and businessmen to give absolute priority to diversifying its exports, three fourths of which are now intended for the United States and Canada. Lampreia said: "Mexico has always been concerned about reaffirming its position as a Latin American country." He was thus suggesting that there is also a geopolitical motive behind Zedillo's proposal. [passage omitted]

Mexican Ranchers: Finance Secretariat Withholds U.S. Loan

PA2002021396 Mexico City LA JORNADA in Spanish 16 Feb 96

[Report by Laura Gomez Flores — received via Internet]

[FBIS Translated Text] Just 20 days after the United States authorized a $125 million credit line with a seven-year term and 6 percent interest to repopulate Mexico's cattle herds, the Finance and Public Credit Secretariat [SHCP] is refusing to channel the funds through the National Rural Credit Bank, the National Finance Bank, Inc., or the National Foreign Trade Bank of Mexico.

Commercial bank loans normally carry a reduced loan term of three years and almost 14 percentage points in additional interest — an amount that makes it difficult to cover in view of the country's serious economic problems. According to sources from the National Confederation of Cattlemen (CNG), the most they could afford to pay and still stay profitable would be 11-percent interest on the original seven-year loan term, because "a higher interest rate and a shorter term would trigger a mass exodus of cattle ranchers." The CNG representatives trust that their proposal will be considered during their next meeting with SHCP Under Secretary Jose Sidaoui, in order to reactivate the sector in the medium-term.

Dozens of calls have been received from cattle ranchers interested in the program, which is to include future loans from Australia, Canada, and New Zealand, and salespeople from the southern United States as well.

The CNG members noted, however, that "an HSCP decision is lacking on which banks will grant the loans and when, because this is a great opportunity." The CNG members estimate they can acquire close to 1.5 million heads of cattle.

On 26 January, the U.S. Department of Agriculture [USDA] announced an additional $100 million for its long-term loan guarantee program — known as GSM 103 — for the period ending September 1996. That means that all funds available for the reproduction of cattle, which were decimated by the droughts of recent years in Mexico — bovine, porcine, ovine, caprine, and equine — will total $125 million, an amount four times greater than initially estimated. The funds could be increased in case they run out. The USDA explained, however, that any unused funds from the assigned amounts will be transferred back to the short-term loan program.

Mexico: Survey Finds PAN Ahead of PRI in Capital

96CA0113A Mexico City VOZ Y VOTO in Spanish Dec 95 -Jan 96 pp 28-31

[FBIS Translated Text] This time the VOZ Y VOTO poll focused on how residents of the Federal District (DF) feel about PRI [Institutional Revolutionary Party]. It was conducted on 14, 15, and 16 November, after the elections in the DF for citizen counselors, and after the media had reported the preliminary returns from the balloting in various states around the republic as election year 1995 drew to a close.

As far as people are concerned, to talk about PRI is mainly to talk about the government, because they know very little about the political party; this can be seen throughout the survey, from the very first question: "Who is the national president of PRI at the moment?"

As can be seen in Table 1, 90 percent of DF residents do not know who the national president of PRI is, and more people think that it is Ernesto Zedillo, rather than Santiago Onate.

Table 1. Who is the national president of PRI at the moment?

Answer	Percent
Not sure	76
Ernesto Zedillo	13
Santiago Onate	10
Pichardo Pagaza	1
Total	100

The current level of support for PRI is very low, as only 14 percent of the respondents said that "they like" the party. In contrast, 42 percent indicated that "they disliked it." As we can see in Table 2, the animosity toward PRI can be explained primarily by the current economic situation, which has made people feel deceived and cheated ("they are liars/deceive the

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people/do not keep their promises") and reinforces the perception that PRI authorities are corrupt ("they are corrupt/steal money/the benefits go only to them").

Table 2. How do you feel about PRI? Do you like it, dislike it, or feel so-so about it?

Answer	Percent
Dislike	42
Like	14
So-so	37
No answer	7
Why do you dislike it?	
Because they are mismanaging the economy/are ruining us	13
Because they are corrupt/steal money	8
Because they lie/deceive the people	5
Because they steal money/the benefits go to them	4
Because it is a dictatorship	2
Because they do not keep their promises	2
Because its members are not to my liking	2
Because they manipulate people into voting for it	2
Because they always win	1
Because it has cheated us the most	1
Because of Colosio's death	1
Because changes are not being made	1
Total	42

Criticism of the party itself was much less significant, centering on two aspects: electoral manipulation ("they buy people off/they manipulate people into voting for them") and internal problems made evident by "Colosio's death."

After the respondents openly and spontaneously voiced their feelings about PRI, they were asked to reflect on the positive and negative features of this party. Sixty percent of the respondents did not mention a single positive feature, while 87 percent cited negative features once again (Tables 3 and 4).

Table 3. What do you see as good about PRI?

Answer	Percent
It has done socially beneficial things*	8
It is strong, has a good organization	5
It has kept the peace for many years	4
It has plans to make Mexico better	4
Solidarity Program	4
It has experience, has been in power many years	3
It has good leaders	2
It runs good campaigns	2
It is moving us forward	2
It does a lot of things, projects, roads, jobs	2
PRI still commands respect	1
It is efficient, competent	1
It gives the country a good overseas image	1
Nothing	47
No answer	14
Total	100

* Housing, schools, clinics, aid to peasants, milk and tortillas for the needy, worker fringe benefits, aid to retirees

The most frequently mentioned positive aspects of PRI in office were: the various social programs ("clinics and schools/they help get housing/aid to peasant farmers/milk and tortillas for the needy/worker fringe benefits/aid to retirees"), keeping the peace, plans for improving Mexico, and the Solidarity program (Table 3).

The positive responses about the party were as follows: "a strong party/has a good organization," "has experience after many years in power," "efficient/competent," "has good leaders," "runs good campaigns."

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Table 4. What do see as bad about PRI?

Answer	Percent
They are corrupt, dishonest, liars, manipulators	17
They promise a lot but deliver nothing	13
They waste money, are not good managers	9
The devaluation, crisis/they have ruined us economically	7
The people in it disappoint me/no internal unity	6
Everything	4
They abuse power, take advantage of Mexico and people	4
It has a bad reputation	4
It wants to impose its authority on everyone else	3
It always wants to win anyway it can	3
It has been unable to adapt to current problems	3
The former president	2
It is the most powerful one	2
There is no democracy in it	2
Senators make millions while others starve to death	1
All values have disappeared from the party	1
Political parties are bad	1
It does not give equal aid, only to the DF, not the provinces	1
They do not work hard enough	1
It does not allow young people to stand out	1
It has poor organization	1
Being a member of PRI means wanting a cushy job	1
Nothing	5
No answer	8
Total	100

Table 4 explains the negative views about PRI. The most common criticisms unquestionably reflect people's disappointment over the economic crisis that we are experiencing. The comments refer to: "Corrupt/dishonest/liars/manipulators," "they promise a lot but do not deliver," "they waste money/cannot manage their own affairs," "the people in PRI disappoint me," "they abuse power/Mexico/people."

The party is criticized mainly on two points: lack of unity and democracy (Table 4).

People are disappointed not only with PRI but with politics in general. The findings presented in Table 5 speak to this phenomenon. In answer to the question "Of the three major political parties, PRI, PAN [National Action Party], and PRD [Party of the Democratic Revolution], which is the best?" 33 percent of the respondents said "none," and another seven percent said they were unsure. Of the remaining 60 percent, PAN was preferred by 27 percent, followed by PRI with 21 percent, and PRD in third with 12 percent.

Table 5. Which of the three major political parties, PRI, PAN, and PRD, is the best?

Answer	Percent
None	33
PAN	27
PRI	21
PRD	12
No answer	7
Why PAN?	
Because I do not believe in PRI/we want change	5
Its proposals are more realistic/good proposals	5
Its people are more honest, sincere	4
Its ideals and goals are clearer	3
It works the hardest	2
It has competent, well trained people	2
It does not buy votes	1
They keep their promises	1
Just to get rid of the others	1
It cares more about the people	1
It helps the country's economy the most	1
No answer	1
Total	27

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Answer	Percent
Why PRI?	
We always vote for it	3
It always wins	3
It has moved Mexico forward/offers options/gives us progress	3
It has power/has the most support	3
We know how it operates/at least we know its tricks	2
I work for the government	1
It sometimes keeps its promises	1
What the president has done is just fine	1
There is still freedom	1
It has always had the best leaders	1
No answer	2
Total	21
Why PRD?	
We need change, and the PRD seems OK	3
They speak the truth	2
They have a lot of contact with the people/ support the workers	2
It serves as a more objective opposition	1
I do not like the other parties	1
They are more democratic	1
It is an independent party	1
Others	1
Total	12

The gap between the percentage of those who say they like PRI and the percentage who consider it the best party is worth noting. Only 14 percent indicated that "they liked PRI," while it was preferred by 21 percent. This shows that there are citizens who, though they do not openly support PRI, regard it as the best choice.

One of the major arguments cited by those who regard PAN as the best option is their opposition to PRI and the resulting desire to change the party in power. Others have to do with its good image resulting from: "realistic proposals," "honest, sincere people," "the clarity of its ideals and goals," "the work they do," and "the ability and training of its people."

The major argument among those who see PRD as the best option is also the desire to change the party in power. In addition, there is the feeling that the party "fights for people," "speaks the truth," and represents an "objective, independent opposition."

Forty-two percent of DF residents feel that PRI is still a "very strong" party. Table 6 shows the responses to the question "How strong is PRI at present?" Thirty-four percent think that PRI has a "fair" amount of strength at present, and only 21 percent say that it has "little."

Table 6. How strong is PRI right now? Very strong, fairly strong, or not too strong?

Answer	Percent
Very strong	42
Fairly strong	34
Not too strong	21
No answer	3
Why do you say very strong?	
Just look at the elections and see how they keep on winning	15
Because of the fear of change and owing to tradition	6
It is a very influential party	4
They keep going despite not being honest	3
They know how to handle, manipulate people	3
The majority is pro-PRI	3
It commits fraud to stay in power	3
It has all the power	2
It has helped with some things/keeps prices low	1
It has money	1
It has followers in all sectors (white- and blue-collar workers)	1
Total	42

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Answer	Percent
Why do you say not that strong?	
People no longer believe in it	13
The opposition is overtaking it	3
There is a lot of feuding and no unity in it	2
Not enough jobs are being created	1
Because of the crisis and PAN's accusations during debates	1
It just tries to impose its authority, just manipulates people	1
Total	21

The chief argument underlying the perception of PRI's strength is "just look at the elections and see how they keep on winning." Another opinion carrying considerable weight is that the party's strength lies in "fear of change and in tradition." The rest were divided between those see the party as having several strengths, such as "it is a very influential party, the majority is pro-PRI, they have all the power, they have followers in all sectors," and those who feel that it remains in power because of its skill in running for office, a skill that can range from legitimate to illegitimate.

Those who see a weakened PRI cite as their main argument that "people no longer believe in it," "the opposition is overtaking it," and "there is internal disunity" (Table 6).

Our readers will probably recall that in this year's August and September issues of VOZ Y VOTO we reported the findings of a poll whose main purpose was to ascertain what people thought about the generally ideological labels of "right wing" and left wing." To our surprise, we found that the main meanings of "right wing" were "to be part of PRI/to be with the government" and "the good side/favoring the country/in accordance with the law." "Left wing" was interpreted mainly as "being in the opposition" and secondarily as "the people who do not know how to behave, who look out only for their own interests," "communism/socialist ideas," "the proletariat," and "violence/the PRD." This time we repeated one of the questions from that poll and applied it to PRI. Table 7 shows the replies to "To you, is PRI left wing, centrist, or right wing?" In light of the findings of the previous poll, the results this time are to be expected. PRI is seen mainly (30 percent) as a "rightist" party and then (24 percent) as a "centrist" one, while just 11 percent of the respondents described it as a "leftwing" party.

Table 7. To you, is PRI left wing, centrist, or right wing?

Answer	Percent
Right wing	30
Centrist	24
Left wing	11
No answer	35

A question about changes inside PRI was unavoidable; it was worded as follows: "As a political party, does PRI have to change?" An overwhelming majority of DF residents (88 percent) said yes, indicating the changes that PRI ought to make (Table 8).

The changes cited most often were: "prevent corruption," "change everything/rank and file/goals/policies/even its name," "promise less and deliver more," "lower high cost of living/improve country's situation." Other, less frequently mentioned changes were: "replace older politicians/put young people in," "candidates should be nominated in elections," "respect democracy," and "support workers, peasants, and laborers." Table 8 lists all of the suggested changes.

Table 8. As a political party, does PRI have to change?

Answer	Percent
Yes	88
No	7
No answer	5
If yes, in what way?	
Try to have more honest people, avoid corruption	15
Change in every way, its goals, rank and file, politics or system, its name	14
Promise less and deliver more	11
Lower high cost of living, of money, improve country's situation	10
Respect the people's vote, stop manipulating people	5
Replace old politicians, put young people in	4
Choose good, trustworthy candidates	3
Support workers, peasants, laborers	2
Choose candidates democratically	1

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Answer	Percent
Create more jobs	1
Give the opposition an opportunity	1
Be more determined to do things	1
Become united, stop killing each other	1
Disappear	1
Spend less money on campaigns	1
Learn to govern	1
The way in which it administers justice, its laws	1
Become more pluralistic	1
Help the people who vote for it	1
Help clear up the assassinations	1
Separate from the government, the state	1
Gain the trust of the people	1
Total	88

The poll closed with the question "Do you think that PRI can change?" The people of the Federal District were evenly divided on this issue: 45 percent said "yes," and 45 percent said "no" (Table 9).

Those who think that PRI cannot change cite three main arguments. The main one is that "they are corrupt/are motivated only by their personal interests"; the second is that "behind PRI there are powerful people who prevent change"; and the third is that "they have been in power for many years; I do not think they can change any more." Also mentioned as obstacles to change in PRI are the impossibility of "changing everything" and "the murders inside it."

Those who do believe that PRI can change argue mainly that it has no choice, that "it has to do so because otherwise it will lose power." Other major arguments are: "If they really want to, they can," "they have everything they need to change/they are competent," "they only need good leaders, well-trained people to work in the party."

Table 9. Do you think that PRI can change?

Answer	Percent
Yes	45
No	45
No answer	10
If yes, why?	
The economic, social situation/the crisis is forcing it to change; otherwise, it will lose power	10
If they really want to, they can	9
Because they have everything they need to change/they are competent	8
They only need good leaders, well-trained people to work in it	4
It has been in power a long time and can make headway	2
It can eliminate corruption	2
There are currents of internal democratization	1
They are getting rid of the bad elements	1
No answer	8
Total	45
If no, why?	
Corrupt people are motivated only by their own interests	18
They have been in power many years/ I do not think they can change	8
Behind PRI there are people who are preventing change	8
It would have to change its entire structure and image	3
Because of the murders that have been committed inside it	2
Because it is sponsored, supported by the government	1
Because they do not keep their promises	1
The crisis is not being resolved	1
They keep on coming up with new ways of committing fraud	1
Because we Mexicans are used to having a monarchy	1
Total	45

In summary, the poll's most significant findings are:

- PRI and the government are inseparable in the people's eyes. The government's actions weigh both positively and negatively on PRI.

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- As a result of the economic crisis we are going through, the number of PRI supporters has declined considerably among DF residents. Only 14 percent of them stated spontaneously that "they like PRI." In addition, it has engendered a perhaps quite strong disillusionment with politics in general, as 33 percent said that none of the three major political parties was good, while another seven percent refrained from voicing an opinion.
- PRI takes second place when citizens are asked to say which of the three major parties they judge to be the best. PAN is first with 27 percent. The gap between PRI and PAN is six percent, while PAN is 15 percent ahead of PRD.
- PRI continues to be regarded as a strong party by 42 percent of the citizenry. Thirty-four percent say that it is "fairly" strong, and just 21 percent feel that it has "little strength."
- PRI is seen as a rightwing party by 30 percent of DF residents, as centrist by 24 percent, and as leftist by just 11 percent.
- Eighty-eight percent of the citizens say yes to internal change in PRI, but one-half of them do and one-half of them do not believe that PRI can change.

The demands for change that citizens are voicing do not separate PRI from the government and are mainly the following: improve the economic situation; combat corruption; make sweeping changes inside PRI; clean elections; respect for the vote, not manipulation; fair competition; PRI unity; democracy in candidate selection; selection of good, trustworthy candidates; good leaders who work for the party; support for workers, peasant farmers, and laborers.

Methodological Note

The poll was taken on 14, 15, and 16 November of this year. The questions were asked over the phone to a sample of 400 cases randomly selected from the white pages of the Mexico City telephone directory. The methodological guidelines appearing on page 49 of issue 29 of VOZ Y VOTO were followed.

Poll Universe: It was defined as "citizens 18 years of age and older living in homes with a telephone listed in the white pages of the Mexico City phone directory."

Size of the Sample and Sample Method: A total of 418 interviews were conducted in 16 administrative divisions and seven [Mexico City] metropolitan area municipalities in the State of Mexico. The margin of error for the sample size is plus or minus 4.9 percent for a proportional value [as published] of 50 percent, with a confidence interval of 95 percent. The sample method was random systematic.

Information Gathering: A single interview per home was conducted; the workday was from 10 in the morning to 10 at night so that people with jobs could be incorporated into the sample. The unweighted sample broke down as follows:

Table 10

Age	Percent	Socioeconomic Level	Percent	Sex	Percent
18-25	28	A/B	7	Female	51
26-35	29	C	14	Male	49
36-45	20	D	42		
46+	23	E/F	37		

The similarity between the sampling distributions obtained in 1994 through house-to-house interviews and the ones obtained this time in the telephone poll was the basis for the comparative analyses.

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Argentina

Argentine Official on Peru-Ecuador Peace Process

PY1902150496 Buenos Aires TELAM in Spanish 1245 GMT 17 Feb 96

[FBIS Translated Text] Buenos Aires, 16 Feb (TELAM) — General Mario Candido Diaz, chief of the joint staff, today described as favorable the peace process pursued by Peru and Ecuador. He pointed out that the achievement of long-lasting peace depends on the democratic leaders rather than on the military observers.

In remarks to TELAM, the chief of the joint staff emphasized: "Long-lasting peace between Peru and Ecuador depends on the democratic leadership of the two countries rather than on the efforts being made by the military observers."

Diaz, along with his Brazilian and Chilean counterparts and General Barry McCaffrey, head of the U.S. Southern Command, visited the conflict area recently, representing the guarantor countries of the 1942 Rio de Janeiro Protocol.

During their tour of Peru and Ecuador, the military leaders supervised the tasks being carried out in the border area by high-ranking officers from the four nations tasked with preventing cease-fire violations.

Diaz noted "the invaluable task of the Peruvian and Ecuadoran officers who have joined this mission." He pointed out: "This task indicates the goal of achieving peace through permanent and sustained talks."

The chief of the joint staff said: "Peace can only be achieved if diplomats decide to pursue serious negotiations, such as those that are currently being pursued."

Diaz emphasized: "Political and diplomatic decisions and agreements are long standing." He noted that a long-lasting solution to the conflict involving the two nations "is in the hands of the two nations involved."

The chief of the joint staff emphasized: "The military have to establish and guarantee peace and promote increased mutual confidence."

Diaz expressed appreciation for the efforts made by military officers from the two nations, "supporting the peace process through expressions of restraint, discipline, and professionalism that permitted creation of the conditions required for making headway in the political-diplomatic negotiations."

In concluding, Diaz emphasized: "Now it is time to fully support the diplomatic efforts being pursued by the guarantor nations to achieve peace and promote the bilateral military efforts being pursued by the governments of these two sister nations."

Brazil

Brazilian Minister on Itamaraty Pact, Peru-Ecuador Talks

PY1702002996 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 16 Feb 96

[FBIS Translated Text] Itamaraty is celebrating the first anniversary of the peace declaration signed by Ecuador and Peru. The anniversary ceremony was attended by Foreign Minister Luiz Felipe Lampreia and the ambassadors of Argentina, Ecuador, Chile, Peru, and the United States. In his speech, Minister Lampreia said that since the day the peace accord was signed in February 1995, several administrations have been doing their best to find a peaceful and definitive solution to the problems that exist between Ecuador and Peru. He also said that for the first time in more than 50 years, the two countries began discussions in Lima in January 1996 to reach agreements. According to Minister Lampreia, this gesture will be strengthened in the upcoming meeting to be held between representatives of the two countries in Quito at the end of February.

Chile

Chile's General Pinochet Released From Hospital

PY1702020196 Santiago Universidad Catolica Television Internacional in Spanish 0000 GMT 17 Feb 96

[FBIS Translated Text] General Augusto Pinochet today left the Military Hospital where he was admitted on the afternoon of 14 February because of a high blood pressure problem.

He left the hospital shortly after 1100 without making remarks to the press. As Television Channel 13 exclusively reported yesterday, General Pinochet had been admitted to the hospital on 14 February after an indisposition caused by high blood pressure. He underwent a number of checkups, and returned this morning to his home in Lo Barnechea District.

Chilean Army Denies Pinochet's Pacemaker Battery Changed

PY2002001596 Madrid EFE in Spanish 1356 GMT 18 Feb 96

[FBIS Translated Text] Santiago, 18 Feb (EFE) — The Army Communications Department today denied that the battery of the pacemaker implanted in Army Commander General Augusto Pinochet at the Military

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Hospital in 1992 had been changed. This information, which was released by Colonel Juan Miguel Fuente-Alba, chief of the Army Communications Department, was published in LA TERCERA today.

Colonel Fuente-Alba said that General Pinochet went to the hospital for a regular medical checkup "and to treat a slight case of high blood pressure, which was already under control before he entered the hospital."

General Pinochet, who turned 80 on 25 November, was admitted to the Military Hospital in the afternoon of 14 February and walked out of the hospital before noon on 16 February. Colonel Fuente-Alba explained: "Pacemaker surgery requires a five-day stay in the hospital."

Colombia

Colombian Minister Denies Knowledge of Drug Money

PA1602154896 Mexico City NOTIMEX in Spanish 2357 GMT 15 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 15 Feb (NOTIMEX) — Colombian Foreign Minister Rodrigo Pardo today denied reports to the effect that he knew about the illicit filtration of drug money into President Ernesto Samper's campaign.

"I never had access to, nor an opportunity, nor interest in financial information, but obviously I always supposed that the money was legal," said the Colombian minister, who managed Samper's publicity campaign in 1994.

According to local newspapers, the general manager of the current president's political enterprise, former Defense Minister Fernando Botero, accused Pardo of having access to campaign accounts and of knowing how activities were financed.

"My work involved the conceptual aspects of managing the candidate's image and his publicity but not contracts," said the Colombian foreign minister upon denying what he described as simple "rumors."

In response to a question as to whether he had suspicions that the campaign had surpassed the established spending limits, Pardo said "not at all. I always assumed that strict compliance with the law was being observed."

The Colombian Electoral Council this week opened a disciplinary investigation into the political parties of then candidates Ernesto Samper and Andres Pastrana, for having violated the established limits for their financing.

The foreign minister said he would like to see the evidence that the press has published, as well as the results of the investigations the prosecutor's office is conducting regarding irregularities in the Colombian presidential campaign.

He anticipated that he will adhere to any decision reached by the judicial bodies regarding the case, but meanwhile he requested the right to be presumed innocent.

'Confidential' Notes of Colombia's Botero Disclosed

PA1602222696 Santa Fe de Bogota EL TIEMPO in Spanish 16 Feb 96

["Text" of memorandum that former Defense Minister Fernando Botero took to meetings held with "top government officials" — received via Internet]

[FBIS Translated Text] Private and confidential

Memorandum

To: The President of the Republic.

From: [blank space]

Topic: Several.

Date: Thursday 23 November 1995.

First of all, cordial and respectful greetings.

There are two important topics, as follows:

1. The battle is not lost. On the topic of Santiago Medina's house arrest, there are still the following options:

Intervention by the Attorney General's Office, before the faceless judge, BEFORE the ruling. This is completely different from appealing against the judge's final decision. [Horacio] Serpa has made a very big effort to achieve this, but so far Vasquez has not replied. It is worthwhile insisting on this.

The INPEC's [National Prison and Penitentiary Institute] letter to the judge saying that it cannot be held responsible for Medina's security has to be cleverly leaked to the media.

Divulge through the entire media today the poll contracted by Cristo [not further identified] on the topic.

These efforts added to my own direct battle in the court gives us an even greater possibility that the final decision favors us.

2. The prosecutor general's term.

Regarding this topic, there are two aspects: the Constitutional Court and the Council of State.

The worst situation for us is in the court. I calculate a tie in the voting there of four in favor and four against.

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Magistrate Alejandro Martinez has the definitive vote. He is handled by Maria Eugenia Rojas de Moreno and Samuel Moreno. With due respect, Mr. President, you must find a way to speak directly with Maria Eugenia and Samuel. This is definitive.

The other thing that is definitive is to neutralize NH Martinez and see that he not interfere in the topic. Otherwise, what we achieve with one hand, he will wipe away with the other.

Regarding the Council of State, we also have to act on this.

Yesterday we assigned the tasks as follows:

Horacio is to speak with Diego Pedraza and Guillermo Chahin.

Ramiro is to speak with Dolly Pedraza, Delio Gomez, and Cesar Hoyos.

Juan Manuel is to speak with Consuelo Sarria.

I agreed to see how I could contact Nubia Gonzalez, Rodrigo Ramirez, Joaquin Barreto, and Julio Enrique Correa.

Mr. President, it is very important that you be on top of everything to do with this case and that you make a few calls to people whom you trust. The Council of State will very probably decide this case Tuesday.

3. The quarrel between the Prosecutor General's Office and the Attorney General's Office.

It seems that the attorney general is finally going to take action against Salamanca. For Christ's sake, hope NH Martinez does not take it upon himself to defend Salamanca! The government should remain completely detached from that quarrel.

Colombian Vice President Reacts to Prosecutor's Charges

PA1602183696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 16 Feb 96

[Communique issued by Humberto de la Calle Lombana, vice president and ambassador to Spain, read by reporter; place and date not given; from "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] I, together with the rest of the country, learned on Wednesday night, that the prosecutor general had presented an accusation against the president of the Republic to the Accusations Committee of the Chamber of Representatives. We cannot hide the seriousness of this event and I call for Colombians to support the Constitution. We must have confidence in it because the Constitution guarantees the President's right to defend himself and establishes the steps the Chamber and, eventually, the Senate of the Republic must take.

It is especially important that the country actively support the Prosecutor General's Office, the Supreme Court of Justice, and other justice organizations. I am convinced that once this process is completed within the mandates of a state of law, Colombia will be strengthened, will overcome the crisis, and will get ahead. This is an honorable nation and we have the right to live in peace, have justice, and, as has been the case for many years, enjoy the respect of the international community.

To the president, my wishes that he and his dear ones may have the necessary spiritual strength.

Colombian Ex-Campaign Head Denies Making Accusation

PA1602193996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 16 Feb 96

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] The Caracol Network has learned that the former administrative director of President Ernesto Samper's presidential campaign has changed his statements made to a television newscast, alleging the fact that he would have accused President Samper of being responsible for the funds that were managed in his election campaign.

Juan Manuel Avella has told a source in whom we fully believe that the people or the media that have used him and have misquoted him can read, as often as they please, his depositions to note that he never, ever made any type of reports or accusations against the president of the Republic.

We have also talked to Justice Minister Carlos Medellin, whom former Defense Minister Fernando Botero Zea accused of being the person who had tried to contact Council of State Magistrate (Consuelo de Sarria) to try to influence her on this high-level body's decision on Prosecutor General Alfonso Valdivieso's term. Medellin said he scarcely met Dr. (Sarria) at a protocol meeting he, as a minister, made to the high-level body approximately 15 days ago, adding that the statements Botero wrote in his famous Cavalry School memo are false and lack evidence.

Defense Attorney on 'Innocence' of Colombia's Samper

PA1602194096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 16 Feb 96

[Interview with Luis Guillermo Nieto Roa, new defense attorney of President Ernesto Samper Pizano, by Dario

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Arizmendi and Judith Sarmiento; from "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] [Arizmendi] Luis Guillermo Nieto Roa, a lawyer from Boyaca Department, conservative, an Alvarist [follower of Conservative Party leader Alvaro Gomez Hurtado], is since yesterday, 15 February, President Ernesto Samper Pizano's new defense attorney. Dr. Nieto Roa, good morning.

[Nieto] Good morning, Dario. How are you doing?

[Arizmendi] Are you going to work alone or with the support of a pool of law specialists?

[Nieto] The president, with whom I naturally discussed the matter, has given me the freedom to decide the matter depending on what the study of his case may indicate as necessary. I have not read it yet. If the case requires me to seek the support of persons of various specialties, including experts, technicians, and so on, I would resort to them. The laws allows it because in these cases, the advisers are under the obligation of maintaining the confidentiality with the same legal force as the defense attorney himself.

[Arizmendi] Dr. Nieto, have you been a friend of the president?

[Nieto] Never. We just made the usual social contacts as any other person in the public sector in various forums, in social events, and so on, but I never held direct contacts with him.

[Arizmendi] Why did you agree to defend the president if you are a constitutional and not a criminal lawyer, precisely when he is facing criminal charges filed by the Prosecutor General's Office before the Accusations Committee?

[Nieto] I think it is not a matter of defending the president from criminal charges, it is a matter of doing something the country needs which is the uncovering of the truth in the country. We are going to guarantee the country that it will have the truth. We are going to work to uncover the truth because that is what the president has told me and I do not have any reasons to doubt the president's word. As a result of the information we Colombians have received through the media, I believe he is innocent and, therefore, I believe the president will be favored by the truth. I am not interested in citizen Ernesto Samper from the personal point of view. I am interested in the country and I want to uncover the truth for the country with the certainty that once the truth is made known, the president will be absolved. To clear up the truth, since the case will be handled by virtue of the Constitution in Congress, it is obviously not directly required to be a criminal specialist even though I may need the advice of other experts.

[Sarmiento] You stated your position on the confidentiality of proceedings and the moment in which this confidentiality should be lifted, however, the president himself has asked that the confidentiality of proceedings be immediately lifted. How are you going to face this situation, which goes against your beliefs, as the president's defense attorney?

[Nieto] I said a long time ago that I do not believe in the possibility of lifting the confidentiality of proceedings because it is a principle of legal investigations in the entire world to maintain the confidentiality of this stage of the investigation, not for the benefit of the person being investigated, but for the investigation itself. It is a matter of preventing interested persons from manipulating the evidence, inventing counterevidence, influencing witnesses and so on. The investigative stage, however, has kept a degree of confidentiality. In some countries, not even the person being investigated is informed of what is going on. Here the person being investigated is informed.

I believe it is a healthy principle, however, I also accept that the president's opponents have placed him between a rock and hard place because they have told him, we do not believe in the ruling handed down by the Congress because it has no credibility, therefore, regardless of the ruling the country would not accept it and you will have to leave even if you are absolved by Congress. The president has said the only constitutional possibility is to be tried in Congress, therefore, the president said the people would believe in him if the process is done publicly. The people would respond quite well.

As soon as the president said, I promote the lifting of the confidentiality of the proceedings, someone immediately came out and said: do not lift the confidentiality because that would hurt other cases. The official said that if the confidentiality is lifted that would be like torpedoing other investigations, therefore, the president apparently has no way out. If he accepts the confidentiality, it is bad, if he does not accept it, it is worse, and if he lifts it, the world would turn against him. This shows that people are not interested in getting justice to prevail but to create a political situation around the president and to corner the president at all costs. I have said, in principle, I do not agree with the lifting of the confidentiality of the proceedings, but I accept it under the current conditions after weighing the benefits of maintaining confidentiality against the benefits of a public discussion. I propose that the initial part of the investigation conducted at the Accusations Committee be confidential and the other stage, which is also part

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of the investigative process, be discussed in a full session of Congress. This way we would reconcile the two extreme positions, one criticizing the lifting of the confidentiality and the other one criticizing the confidentiality of proceedings.

[Sarmiento] Thank you very much, Dr. Luis Guillermo Nieto Roa, the president's new defense attorney.

Colombian General's Son Dies After Attack

PA1602215796 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Feb 96

[From the "National Newscast" newscast]

[FBIS Translated Text] In a confusing incident, German Alberto Cifuentes, General Ricardo Emilio Cifuentes' son, was seriously wounded shortly after midnight last night. He wavers between life and death. A couple of weeks ago, Gen. Cifuentes caused a great controversy when he resigned, arguing that President Ernesto Samper was unworthy of his support. The general's son has been hospitalized at the Chayo Clinic in Santa Fe de Bogota. Angelica Gutierrez reports from the clinic. Good afternoon, Angelica. How is the general's son? What do the doctors say?

[Gutierrez] Good afternoon, Yolanda. Of course, German Alberto's diagnosis is critical. He is brain dead. About 0750, Gen. Cifuentes and his wife Daifam Viva de Cifuentes arrived to learn their son's condition. German was attended by three neurologists. His condition is critical, as reported earlier.

At 0950, Chaplain Antonio Sabogal administered the last rites to him. Gen. Cifuentes, former commander of the 2d Army Division, headquartered in Santander, has been in the third floor of the Chayo Clinic since 0750, listening to the doctors' reports and waiting to see what other medical solution is available. German, 28, who resides in the United States, had arrived in Colombia on vacation on 24 January. Approximately at 0100, he accompanied his fiancee home after dining with her. Then he was attacked. He was scheduled to depart for the United States at 1400 local time on Monday. Any questions, Yolanda? Otherwise, back to the studios.

[Yolanda] Thanks, Angelica.

[At 2016 GMT, Santa Fe de Bogota Emisoras Caracol Network breaks into the newscast to report that German Alberto Cifuentes has just died at the Chayo Clinic]

Lawyer for Colombia's Samper: Cartel Link 'Coincidence'

PA1702034396 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 17 Feb 96

[Report by Soraya Yanine from the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT on 17 February]

[FBIS Translated Text] In recent hours, several media have disclosed a document bearing the names of the members of the board of directors of Banco de los Trabajadores in 1979. Two of the members at the time include Luis Guillermo Nieto Roa, President Ernesto Samper's new defense attorney, and Gilberto Rodriguez Orejuela. Today, Luis Guillermo Nieto Roa explained the reasons for this coincidence.

[Begin recording] [Soraya Yanine] Were you a member of the board of directors of Banco de los Trabajadores at the same time as Gilberto Rodriguez Orejuela?

[Nieto Roa] In 1979, some cooperatives in Boyaca asked me to become a member of the board of directors of Banco de los Trabajadores in an attempt to prevent a new financial group — unknown back then — from taking over the bank, because it was trying to do so via a financial operation we would describe as legal, from the financial viewpoint. I became a member without knowing anything about that financial group, which turned out to be led by the Rodriguez Orejuela brothers.

At that particular time, the entire nation considered the Rodriguez Orejuela brothers as decent businessmen and investors. They even had the blessing of the Banking Superintendency to buy banks. In addition, drug trafficking did not fall under the criminal category that was later created.

I became a member of the bank's board of directors only to try to prevent the Rodriguez Orejuela brothers, who were simply investors, from seizing control of the institution. As I was unable to prevent this from happening, the cooperatives — following my advice — sold their shares, and I surrendered my membership.

Later on, Mr. Rodriguez Orejuela took over the bank, but I was no longer a member of the board of directors.

[Yanine] Don't you think this incident might work against you, since you are currently President Samper's defense attorney?

[Nieto Roa] Yes. At times, there are regrettable coincidences. There is no doubt about this. However, I believe I have given sufficient proof to the country that, during

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my entire life, I have waged a campaign against corruption and crime. Consequently, I am confident that, at any time, people will listen to the explanations I have for this sort of coincidence and that nothing will interfere with the smooth course of the case. [end recording]

Colombian Prosecutor To Investigate Comptroller General

PA1702031896 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 17 Feb 96

[From the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT on 17 February]

[FBIS Translated Text] The Supreme Court of Justice sent the documents it had on the conduct of Comptroller General David Turbay to the Prosecutor General's Office to investigate, in light of the fact that the case under investigation took place when he was not protected by immunity.

The investigation by the Prosecutor General's Office has not yet begun, therefore no criminal conduct has been proven against him.

Colombia's Samper: Cartel Money Stolen by Campaign Heads

PA1702014796 Madrid EFE in Spanish 0019 GMT 17 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 16 Feb (EFE) — President Ernesto Samper said today there is evidence that the money the Cali cartel sent for his campaign was stolen by the persons in charge of managing the campaign's finances and that, therefore, this money did not serve its intended purpose.

"The evidence is being studied by the Accusations Committee. I understand the Prosecutor General's Office is also working on a hypothesis about this," Samper told EFE during an interview, in which he was asked whether there is evidence of his assertion.

Asked why he had not reported this earlier, he replied: "Because the accounts had not been analyzed and because it was only after former Defense Minister Fernando Botero started to speak up that we started to learn facts about the campaign that we did not even suspect existed."

In January, Botero, who directed Samper's campaign in 1994 and was arrested in August, accused Samper of having negotiated the Cali cartel's financial contribution. Botero confessed to having managed campaign money through his own personal accounts in the United States. The records of these accounts were recently opened to the investigators' scrutiny.

Alluding to Pedro Rubiano, president of the Colombian Catholic bishops, who said that Samper's defense argument — that he did not know about the Cali cartel's contribution — looks like the man who said he did not see an elephant coming into his home, Samper said: "Maybe it was not an elephant. Not only that. Maybe no animal came into the house at all. Maybe this elephant never came into the house because he would have been stopped in the garden and then taken away."

Colombian Campaign Heads: Samper Rejected Cartel Plan

PA1802040296 Madrid EFE in Spanish 0252 GMT 18 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 17 Feb (EFE) — Santiago Medina, the treasurer of now-President Ernesto Samper's campaign for the presidency, told him one month before the elections that he was going to meet with Cali drug traffickers "to pick up a sizable amount of money," but then-candidate Samper ordered him to cancel the appointment, campaign officials have reported.

Samper forbade any similar contact, but Medina continued to hold his position until the 19 June elections, according to campaign officials' story, which explains how the treasurer and director general, later Defense Minister Fernando Botero, operated. Both Medina and Botero have been detained since 1995.

"Early in May, Medina approached the candidate to report that he would go to Cali the next day to have breakfast with 'some friends from Cali' and 'pick up a sizable amount of money,'" according to the story delivered to EFE.

"Surprised and upset, Samper invited Medina into his office and clearly told him that he, Samper, was reiterating his instructions and that he disagreed with any such contacts. Medina replied that he had already scheduled and confirmed the breakfast," the president's associates added.

The document added that, Samper, upset, replied to Medina: "Cancel it, then."

The story, which contradicts Medina's and Botero's testimonies that the candidate approved the contact with the Cali cartel, continued: "This was not the first or the last time that Samper, firmly and repeatedly, said that no contacts should be made with people linked to money of dubious origin."

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The Liberal Party's campaign officials who reconstructed the incident are at a loss to explain why Medina continued to hold the position of treasurer until the end of the campaign, although he had confessed to Samper that he was going to receive money from drug traffickers.

Nevertheless, the officials note that Medina was hired by Botero against the advice of several campaign officials and despite warnings of Medina's dishonesty by the former government headed by Cesar Gaviria, also a Liberal Party member and now OAS secretary general.

Colombia's Samper: U.S. Paper 'Distorted' Interview

PA1802220696 Mexico City NOTIMEX in Spanish 2022 GMT 18 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 18 Feb (NOTIMEX) — Colombian President Ernesto Samper denied today a NEW YORK TIMES report according to which he was looking for a "dignified way" to quit his position.

In a communique, Samper described as "erroneous, the information given by the newspaper, based on an interview given to a journalist from this U.S. media."

"It is totally false that President Samper said he was looking for the strength to leave the presidency in a dignified manner, as correspondent Pamela Mercer erroneously asserted in her report," the president stated.

THE NEW YORK TIMES published in its Sunday edition, the interview given by the Colombian president to Mercer last Saturday. According to the published report, Samper stated: "What I want is to be able to leave in a dignified manner (...) When? That depends on the conditions of governability."

"It is surprising that a media source as prestigious as THE NEW YORK TIMES attributes words to the Colombian president that he never said and publishes statements from the interview that are out of context," the president observed in the communique.

He added that "during the interview given to the mentioned journalist, the president repeated several times that he has resorted, as he has indeed been doing, to the judicial and legal mechanisms stipulated in the National Constitution."

According to the presidential communique, Samper reiterated to the journalist that the first step was the constitutional procedure, according to which he is to be tried by the Congress of the Republic, and that this step will, in effect, commence next Tuesday.

The president then refers to the part of the interview that he believes was distorted and that, according to the communique, stated the following:

"Having cleared the matter of my personal behavior, I believe that what must continue is to study the possibilities and conditions of governability in Colombia."

"This would be what would move me to consider any decision that would make it easier for the country to solve the crisis. What I do not accept is that any decision be initiated, as my enemies want, by placing my head on a platter."

The president's clarification concludes by stating that "the presidency of the Republic sincerely regrets and rejects the manner in which Miss Mercer has manipulated the statements granted to her by President Samper in Santa Fe de Bogota last Friday, 16 February.

Colombian Prosecutor General Alfonso Valdivieso presented charges against Samper for illegal enrichment, document concealment, electoral fraud, and misrepresentation at the National Congress last Wednesday.

A special Accusation and Investigation Commission will begin to study the evidence presented by Valdivieso on Tuesday. This task will be completed in approximately one month and, at that time, the commission will determine if there is enough evidence to try the statesman.

Liberal Party President Luis Fernando Jaramillo — the same party to which President Samper belongs — also commented on THE NEW YORK TIMES interview. He said that "the president's statements were distorted" and maintained that it is yet another ruse of the international press to misrepresent the situation in Colombia, create instability, and present a bad image of the country."

Samper insists that he will not quit because he is innocent of all the charges.

Colombian Magazine: Samper Dined With Cali Leaders

PA1902234596 Madrid EFE in Spanish 1933 GMT 19 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 18 Feb (EFE) — A fund-raising dinner with the presence of Cali cartel capos, night meetings at the presidential palace with the lights out, and U.S. light airplanes carrying money are some of Prosecutor General Alfonso Valdivieso's secrets to investigate the "narcoscandal" that shakes the country.

The magazine SEMANA reported that Valdivieso included about 20 of such as yet undisclosed events in

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the accusation that he delivered to the Congress on 14 February to investigate President Ernesto Samper for the financing of his electoral campaign with drug money.

The accusation says that drug trafficker Victor Patino, one of the Cali cartel's seven top capos and who was arrested in June, attended a $20,000-a-plate fund-raising dinner held in 1994 for the then Liberal Party candidate Samper, the source added.

According to the publication, this dinner, where 380 million pesos ($380,000 at the present rate) were collected, was held on 16 June 1994, three days before Samper won the elections. In addition, the dinner was held in a top rate hotel in Santa Fe de Bogota, where Patino — who has been in prison since last year — arrived with three persons.

Patino, a.k.a. El Papi or El Quimico, surrendered to the authorities on 24 June. On Thursday, a judge sentenced him to 18 years in prison. Because of his cooperation, this sentence could be reduced to nine years, a ruling that upset the U.S. Embassy in Colombia.

Also according to the same magazine, those in attendance at the dinner paid each 20 million pesos ($20,000) for seating at the table and each received as souvenir a Swiss watch bearing the campaign logo "Samper President" in golden letters.

It was also reported that, when the recordings of telephone conversations with Cali cartel capos on reported donations to Samper's campaign were made public, the government devised a "strategy" to prevent any further information leaks to the public.

That plan was disclosed by Fernando Botero, former general director of the Samper campaign and defense minister for a year, currently under arrest. Botero said that the president and several of his main advisers and ministers were meeting "until late at night" at the Narino Palace.

According to SEMANA, in one of those meetings, on the third floor of the government headquarters, the lights were turned off and a radio was turned on "so that nobody will see, hear, or record them." Santiago Medina, former campaign treasurer and who has been in prison since July, made the same remarks.

The publication also referred to the recently murdered Elizabeth Montoya de Sarria, wife of former policeman Jesus Sarria, arrested in December on drug-trafficking charges. SEMANA indicated that Montoya de Sarria was one of the guests of honor at Samper's inauguration on 7 August 1994.

It added that the new president greeted her "effusively" and later, Elizabeth Montoya went home in an official vehicle.

The woman became famous in August 1995 when the recordings of her telephone conversations with Samper reached the media. In those conversations, she insisted on setting up a meeting to introduce him to some "very important businessmen," interested in donating money to the campaign.

According to SEMANA, another one of the 20 "secrets" in the hands of the Prosecutor General's Office is the existence of an anonymous witness who has testified that the directors of Samper's electoral campaign "manipulated" the accounting books they had to present to the National Electoral Council (CNE).

The weekly added that in six months, experts from the Prosecutor General's Office analyzed the campaign's accounting books to conclude that 14.534 billion pesos ($14.5 million), almost 10 billion pesos ($10 million) more than the amount authorized by the CNE for the 1994 elections.

At this time, 4.952 billion pesos ($4.9 million) have no "documents to account for their existence," adds the magazine.

The anonymous witness confirmed the trip of a light airplane carrying 180 million pesos ($180,000) on 12 June 1994 — a week prior to the runoff presidential elections, which flew from Cali to the Caribbean city of Monteria.

The police detained the aircraft for several hours, until a series of telephone calls by "ranking officials" and campaign actions obtained the release of the aircraft, the source adds.

Colombian Prosecutor Presents Evidence Against Samper

PA1902222296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2100 GMT 19 Feb 96

[Report by Rando Marroquin Franco; from the "Caracol's Quarter Hour" news bulletin]

[FBIS Translated Text] Prosecutor General Alfonso Valdivieso Sarmiento testified for one hour before the Investigations and Accusations Committee of the Chamber of Representatives where he was summoned to confirm his charges against President Ernesto Samper Pizano. Upon leaving the Chamber, Valdivieso said he did not confirm the four charges filed against the president, but the entire file and evidence presented to the Investigations Committee.

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[Begin Valdivieso recording] I confirmed the file [memorial general] in its entirety [words indistinct] the current penal process does not require that confirmation. The presentation of a written report must be done under oath and does not require confirmation. That formality, however, exists, in accordance with Law 5 of 1992, congressional regulations, and [words indistinct] [end recording]

Tomorrow at 1600 the Investigations and Accusations Committee of the Chamber of Representatives will decide whether or not it will reopen the process against the president. It will also decide if the committee's president Heyne Mogollon Montoya will continue as investigating representative.

Colombian Prosecutor Denies Leaking Data to Press

PA1902235196 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2200 GMT 19 Feb 96

[Report by Rando Marroquin Franco; from the "Caracol's Quarter Hour" news bulletin]

[FBIS Translated Text] Prosecutor General Alfonso Valdivieso Sarmiento has denied his office is leaking to the press legal information regarding the investigation against President Ernesto Samper, as the president's defense lawyer Luis Guillermo Nieto has said.

[Begin Valdivieso recording] That is not true. I believe that is another statement made without any basis. The only thing I would recommend to the president's lawyer is to act within the framework of the process in order to advance in complying with his duties, which I hope he will exercise the best way possible. [end recording]

In addition, in reaffirming his charges against President Ernesto Samper Pizano before the Chamber of Representatives Investigations and Accusations Committee, Valdivieso expressed his disagreement with the bill calling for lifting the total confidentiality in the process against the president.

Colombian Ambassador to Argentina Resigns

PA2002044196 Mexico City NOTIMEX in Spanish 0019 GMT 20 Feb 96

[FBIS Translated Text] Buenos Aires, 19 Feb (NOTIMEX) — Victor Ricardo, Colombian ambassador to Argentina, has presented his resignation to President Ernesto Samper because of the Colombian Government's institutional crisis, Ambassador Ricardo himself has reported.

In a short communique, Ricardo said he resigned because of "Colombia's unfortunate internal circumstances."

He added that he laments his country's present situation and expressed confidence that "the critical moment will finally be overcome and both law and order will prevail."

Samper faces a prosecutor general's accusation for his reported knowledge that drug traffickers contributed money to the political campaign that brought him to power in August 1994.

Colombian Ministers Issue Communique on Campaign Probe

PA2002044096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0100 GMT 20 Feb 96

[Press communique issued by Horacio Serpa Uribe, Rodrigo Pardo Garcia-Pena, and Juan Manuel Turbay Marulanda, interior, foreign relations, and communications ministers respectively at the Narino Presidential Palace on 19 February; from the "Caracol's Quarter Hour" news bulletin]

[FBIS Translated Text] Horacio Serpa Uribe, Rodrigo Pardo Garcia-Pena, and Juan Manuel Turbay Marulanda, ministers of the interior, foreign relations, and communications, inform the public that:

1. The media has reported that we will soon be summoned by the commission of delegate prosecutors to the Supreme Court of Justice to render a free and spontaneous statement regarding the financing of the past electoral campaign.

2. We are unaware of the contents of the depositions made by the persons involved in this process, in which our names have been mentioned. Therefore, we will refrain from refuting them in public. There should be no doubt, however, that our actions during the campaign were not related to the administrative and financial areas.

3. In order not to hinder ongoing investigations, which we respect and are willing to cooperate with, we have decided to assume a prudent attitude on the subject and hence, will refrain from making any statements.

4. Regarding the confidentiality of the proceedings and in accordance with current regulations, we reiterate that any statement on the subject will be made exclusively before the competent authorities whenever required. Meanwhile, we will continue fulfilling our duties in our respective ministries.

[Signed] Horacio Serpa Uribe, Juan Manuel Turbay Marulanda, and Rodrigo Pardo Garcia-Pena; interior, communications, and foreign relations ministers.

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Alleged Guerrillas of Colombia's ELN Kidnap U.S. Citizen

PA1702135796 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1300 GMT 17 Feb 96

[Report by Rodolfo Mejia Fontalvo; from the "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] This is Caracol in Barranquilla. U.S. citizen Mark Bosart, manager of a mine owned by the [Produco] Company, was kidnapped in the Barranca municipality in La Guajira department, Colonel Guillermo De Mendoza, commander of the Roldon battalion in La Guajira, reported.

According to the official report, alleged members of the [Luciano Oriza] Front of the ELN [Army of National Liberation] kidnapped the U.S. manager. Approximately [word indistinct] heavily armed men took Mark Bosart out of the mining installation and fled to an undetermined location.

Soldiers currently searching the entire Guajira department to find the perpetrators of this crime that darkens the [word indistinct] situation, especially in La Guajira department.

Colombian Army Discovers FARC Plan To Attack Buildings

PA1702192996 Madrid EFE in Spanish 1817 GMT 17 Feb 97

[FBIS Translated Text] Bogota, 17 Feb (EFE) — The Army today confiscated from a house in Bogota nine bombs and the blueprints of government buildings, including the Presidential Guard Battalion garrison, that were going to be attacked by urban cells of the Revolutionary Armed Forces of Colombia (FARC), military sources reported. The materiel was seized in a house located in Engativa, near the Bogota Airport. Sources at the Army's 13th Brigade, the unit that uncovered the terrorist plan, explained that the house apparently belong to the so-called "Bolivarian Militias."

The 13th Brigade Command added that several persons were arrested and that the materiel was going to be used in an escalation of attacks on judicial and military buildings in Bogota. The targets of the attacks included the Office of the Prosecutor General, the Interior Ministry, and the Presidential Guard Battalion in midtown Bogota. This unit is in charge of the security of the head of state's office.

The explosive materiel and documents on future actions were seized three days after the police announced the discovery of a far-reaching terrorist plan that sought to attack government offices and the U.S. Embassy in Bogota.

Colombia Downplays Impact of Possible Decertification

PA1602233496 Santa Fe de Bogota EL ESPECTADOR in Spanish 16 Feb 96 p 2a

[From the "Local Editor's Office"]

[FBIS Translated Text] Santa Fe de Bogota, 16 Feb — After saying that the possibility of a U.S. decertification of Colombia's anti-drug struggle is "very remote," this country's commercial authorities have made it clear that an eventual decision in this regard would not have the terrible economic consequences that have been mentioned.

According to a report drafted by the Foreign Trade Ministry with data from the U.S. International Commerce Commission, the Andean Preference Treaty [Tratado Andino de Preferencias — Atpa] and the General Preference System [SGP] — the two most important groups that guide bilateral relations in this field — act independently from what the White House may determine on the certification of antidrug policies.

According to the official analysis, the effects of an eventual decertification would be expressed in the form of negative U.S. votes in international aid organizations such as the International Bank for Reconstruction and Development [IBRD], the Association for International Development, and the Inter-American Development Bank.

A negative vote by the United States in these entities "does not necessarily mean that aid will be denied to Colombia, since Washington does not have veto powers or control an absolute majority in the multilateral organizations and would not necessarily lobby against a loan.

The analysis by Colombia's commercial authorities indicates that the United States is more interested in granting a certification than in denying it because of the advantages that Atpa offers U.S. consumers on products such as flowers, leather, plastics, and confetti, which enjoy customs preferences granted to countries committed to the eradication of illegal plantations, preferences granted based on political considerations but with independence as to whether or not there is certification for the anti-drug struggle.

The SGP and the Most-Favored Nation system present a similar situation. These are trade instruments that save Colombia only $69.5 million.

The decertification, the report acknowledges, does affect antinarcotics financial aid, considering that the ($13.7 million) aid would be reduced by 50 percent, which represents "a minimal" amount for Colombia if this is

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compared to the $1 billion Colombia invests in the antidrug-traffic struggle every year, especially in the eradication of plantations.

Finally, the document contradicts those who say a decertification would affect the banana trade, a product without customs preferences.

Colombia: Social Plan Criticized for 'Inefficiency'

96SM0088A Santa Fe de Bogota EL TIEMPO in Spanish 21 Jan 96 p 18A

[FBIS Translated Text] "To reach the poorest 10 million Colombians... we will implement a Solidarity Network."

With these words, President Ernesto Samper announced the flagship of his government's social programs on the day he took office. He stated in his inaugural address that "it will bring concrete and direct support to the most vulnerable segments of the population..."

A year and a half later, however, rather than helping the underprivileged, the Social Solidarity Network (RSS) has sparked all kinds of complaints about its inefficiency and excessive spending.

One of the RSS's most visible blemishes is its wasteful budget. One symptom of that is its bloated payroll and high operating costs.

Even though President Samper declared that "the implementation of the Network will not involve creating an unnecessary bureaucracy" when he launched the program, this agency today has 625 people on its staff, some of them inherited from various programs created during the previous administration (see interview).

The full-time employees alone (315 in all) cost the State nearly 5 billion pesos a year, without including allowances, fringe benefits, bonuses, and the recreation bonus, among other benefits. This money does not include the people who work under contract (294), whose pay amounts to more than 347 million pesos a month.

The Network's bureaucracy consists of a total of 625 at-will employees (315 full-time staff, 294 contractors, and 16 supernumeraries), who cost the State 750 million pesos a month.

The budget allocation for the salaries of personnel on the payroll exceeds that of several government agencies, including the Ministry of National Education.

According to the Director of the Network, Eduardo Diaz Uribe, most of the personnel were "inherited" from programs created under the Gaviria Administration, and some of them (those who have already completed their tasks) are gradually being culled from the payroll to reduce the staff (see interview).

Despite the Director's efforts to cut red tape in the agency, operating costs are so high that they amount to 12 percent of outlays. This percentage is a "real excess" in the view of Senator Juan Camilo Restrepo (Conservative of Antioquia), who claims that "agencies with a similar structure, such as Integrated Rural Development Program (DRI) and the Territorial Development Finance Company (Findeter), spend just 2 percent of their budget on operating expenses."

Tourism and Advertising

In addition, according to the budget report, the RSS has allocated 2.969 billion pesos for "overhead," of which 759 million is earmarked for travel. This is almost three times as much as Congress spends on the oft-criticized parliamentary "tourism."

The Investigative Unit (UI) of this newspaper has learned that as of October 1995, 712 million pesos was spent on travel, nearly 90 percent of the amount budgeted for the year, according to the RSS's own figures.

The 1996 budget calls for an increase of 38 percent in travel expenditures, bringing the figure to a total of 1.045 billion pesos, according to the National Budget Act.

In this regard, Senator Camilo Sanchez (Liberal of Cundinamarca) stated that "although the money allocated for Network travel exceeds that of Congress, no one ever makes a stink about these inflated sums."

The Director of the Network said that it is quite costly for its officials to travel all over the national territory, and travel abroad is minimal and completely justified (see interview).

Moreover, according to the budget outlay documents, the Network spent more than 235 million pesos in 1995 to maintain 106 vehicles at its disposal (including gasoline).

Its fleet of automobiles includes everything from a 1972 Nissan Patrol obtained from the Colombian Institute of Agrarian Reform (Incora) and assigned to the department of Antioquia, to a 1995 Toyota Burbuja owned by the RSS and assigned to high-ranking officials in Bogota.

The category of "overhead" also includes outlays amounting to 259 million pesos each year for rent on the Network's offices ... Residencias Tequendama, and the cost of 17 cellular phones assigned to Network officials.

It also includes 570 million pesos to pay for utilities and maintenance, and 589 pesos for printing and advertising.

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Radio and television spots, ads, and commercials alone accounted for more than 450 million pesos last year.

Despite the millions spent on advertising and operating expenses, the RSS does not have enough money to carry out its 12 programs (see box).

Alarms

In view of these circumstances, the Office of the Controller has sounded the alarm twice to the government.

In May 1995, the office conveyed to the president a number of objections concerning the RSS's budget, operations, and efficiency. In its report, the office concluded that the RSS "is not achieving a true social impact."

But the recommendations made by the Office of the Controller were ignored, and the watchdog agency was forced to conduct a second investigation, a copy of which was sent to the president.

In this second report, the Office of the Controller insists that "the funding allocated for 1994 and 1995 is insufficient to carry out the objectives and goals set forth," and it mentions a shortfall of more than 370 billion pesos.

In addition, it warns that there is not enough money for the execution of the 12 programs called for in the plan. The report emphasizes the failure to carry out programs and the slowness of fund transfers.

This slow pace is due, in large measure, to the excessive red tape required for the transfer of funds. Senator Sanchez states that 13 steps must be taken for such transfers. The director of the Network says that only six steps are required to open up the process of allocating funds, however.

In view of these excesses, the Senate subpoenaed the director of the agency late last year to respond to questions about the functioning of the program.

After listening to Diaz for more than two hours and reading a detailed report of more than 300 pages, full of pictures, maps, and charts, Sanchez—one of the senators who issued the subpoena—concluded that "the Network has become a supra-ministry that does not accomplish anything, but duplicates efforts and has a huge bureaucracy at its disposal."

Social Politicization?

Another criticism leveled against the agency has to do with the actual execution of programs: allocation of money and transfer of funds.

As of June of last year, only 17 percent of the funds (46 million pesos) had been disbursed. According to the investigators at the Controller's Office, this fact "is an indication that goals are not being met."

Nevertheless, in the reports that the RSS submitted to the UI late last year, most programs are listed as having executed nearly 100 percent of their budgets.

According to one of the investigators at the Controller's Office, the difference in the levels of execution arises because "as far as the Network is concerned, 'executing the budget' means committing the money, whereas for the Controller's Office, execution occurs when the money reaches the intended recipients."

The official of the watchdog agency added that in June 1995, only 48 percent of the 1994 investment budget had been executed, and only 9 percent of the 1995 budget.

Moreover, the Controller's Office has pointed out that to carry out the programs, an additional 370 billion pesos will be needed, which has not been appropriated in the RSS budget.

Diaz acknowledges the shortfall, but says that it amounts to only 100 billion pesos, since the Controller's Office did not take into account the transfers from the municipal governments in its calculations.

Nevertheless, Deputy Controller General Miguel Gomez Martinez says that the Network "is the biggest checkbook in the country concentrated in a single agency." For 1996 the RSS has 110 billion pesos, according to the National Budget.

[Box, p 18A]

Inside the Network

The Social Solidarity Network is a public establishment that has a five-year lifetime, according to the Constitution. In other words, the plan is to end by 7 July 1996 (in five months).

However, in a non-binding resolution issued by the Council of State, the RSS is allowed to continue operating until 7 May 1997: 15 months before the end of Samper's term.

According to Sanchez, "if the transitory articles of the Constitution are observed to the letter, as happened in the case of the Treasury Inspector's Office, the RSS is nearing its end."

At present, the RSS has 12 programs intended to provide social investment funding to the poorest segment of the population in various areas.

Among the most representative programs are the National Rehabilitation Plan and the Alternative Development Plan (Plante). The latter seeks to create legitimate alternative crops for peasants.

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The Reinsertion Program, which is aimed at achieving peace in Colombia by carrying out the provisions of the eight peace accords signed by previous administrations, is also part of the Solidarity Network.

Interview with RSS Director: "Network's Investment Is Productive"

The director of the Social Solidarity Network (RSS), Eduardo Diaz Uribe, clears up matters that have sparked controversy both in the Senate of the Republic and in the Office of the Controller General of the Republic, as well as other sectors.

[EL TIEMPO] More than 600 workers associated with the Solidarity Network, costing the State more than 720 million pesos a month: Is this not an excessive bureaucratic burden for an agency that does not produce revenues and whose only function is coordination?

[Diaz Uribe] This establishment does have 600 employees, but not all of them work for the Social Solidarity Network. Our unit comprises approximately 40 persons, and then there is the unit of the National Rehabilitation Plan (PNR), which we have been putting together for the last few months. It is worth mentioning that the people working in this program go all over Colombia. The other personnel are only administratively connected to the Network. These are programs we inherited—such as Plante and the Medellin Commission, among others—many of which are very relevant. Others are being evaluated to see whether it makes sense to dismantle them, and others have been cut back, such as the Social Commission. We hope that by the middle of this year, we will have cut the staff by 60 or 70 positions. In this regard, during the first days of January, we began to merge some programs and to cut the payroll.

[EL TIEMPO] Is it not also excessive to allocate 12 percent of expenditures to operating costs?

[Diaz Uribe] I would have to verify that. But if you compare that with the investment budget we are managing, it is not excessively high. The bulk of this spending goes to the PNR delegations in the regions. They are coordinating programs throughout the entire national territory, and they are the only human team the government has in the regions. It is a very productive investment.

[EL TIEMPO] How do you justify such large amounts spent on advertising, travel, payment for services and rental, and vehicle maintenance?

[Diaz Uribe] The spending on advertising is extremely low if you bear in mind that with that we are reaching every municipality in the country. Most of the spending on travel is for our officials in the region. It really is costly for them to go to all the departments. International travel is minimal; I have gone abroad twice this year. Once to negotiate the loan from the Interamerican Development Bank, and once to the Dominican Republic to visit the Social Network of Latin America, which Colombia has led since the end of last year. The payment for the 17 cellular phones was necessary because there are not enough lines in this office, but they are being requested from the Telephone Company. The premises where the Solidarity Network is currently headquartered were chosen for their low cost and their proximity to the agencies that work with us. They are not at all luxurious, as many people think.

[EL TIEMPO] The Controller's Office talks of a shortfall of more than 370 billion pesos, which is preventing the Network from fulfilling its objectives. Is there such a shortfall?

[Diaz Uribe] Yes, but not in that amount. If you consider just what the nation contributes, plus the additions that have been made, the shortfall is 200 billion pesos. And if we add to that the municipal contributions (which the Controller's Office did not take into account), the shortfall is reduced to just 100 billion pesos. This is 30 or 35 percent below the goals that were initially set. The shortage is related to the country's fiscal crisis, but it is not as significant as the report from the Controller's Office indicates.

[EL TIEMPO] But will there finally be enough funds to fulfill the Network's objectives?

[Diaz Uribe] Yes, there are funds. The budget transfers are guaranteed.

[EL TIEMPO] The Network is accused of ineffectiveness and slowness in the transfer of funds. What is your opinion in that regard?

[Diaz Uribe] The low rates of execution are due to the fact that for more than six months, we have been traveling all around the country identifying the beneficiaries of programs, the projects that are to be developed, and the strategies necessary to execute them. During that period—in June of this year—the Office of the Controller issued its report. Currently the program is fully operational and the beneficiaries are completely identified. In the last few months, we have significantly raised the rates of execution in the majority of the programs. In 1995, almost all of the budget was committed, and 65 percent of the money was disbursed.

[EL TIEMPO] When does President Samper's flagship program end?

[Diaz Uribe] The public establishment—the Network—is legally viable until May 1997. That means that it will

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be necessary to review whether its structure should be maintained or modified, and the decision will be up to Congress. The great thing about the strategy we have designed is that the resources of the Network are in the hands of the executing entities, so the program will not disappear. None of the 12 programs that have been announced is in danger of ceasing to exist.

Ecuador

Ecuador Intends To Sign Nonaggression Pact With Peru

PY1602224096 Madrid EFE in Spanish 1956 GMT 16 Feb 96

[FBIS Translated Text] Quito, 16 Feb (EFE) — Ecuador intends to sign a nonaggression pact with Peru at a time when the first anniversary of the Itamaraty Peace Declaration will be celebrated tomorrow, 17 February. The peace agreement put an end to a war waged by the two countries in an area of their common Amazon border without border markers.

Quito officials reiterated their desire to propose the signing of a nonaggression pact during the upcoming meeting of Foreign Minister Galo Leoro with his Peruvian counterpart Francisco Tudela in Quito on 22 and 23 February.

The two ministers will continue the talks that began in Lima on 17 January to define the procedures for the development of future direct talks with the purpose of finding a definitive solution to their territorial conflict, which has led to three wars in the last 55 years.

The Ecuadoran proposal for signing a nonaggression pact is being made on the first anniversary of the Itamaraty peace agreement.

Galo Leoro labeled the peace agreement as a "basic" instrument for the peace process, and noted that it has served to initiate "a period in which we hope to make progress in the negotiations, which is a high priority for Ecuador and also, undoubtedly, for Peru."

Leoro said that "we have a path to traverse; how quickly progress is made" is not "essential. It can be either slow or rapid; the important thing is to agree on beginning the talks" concerning the territorial problems.

Leoro expressed his recognition for the actions of the guarantor countries —Chile, Argentina, Brazil, and the United States — at the diplomatic level, and through the Ecuador-Peru Military Observers Mission (MOMEP).

In a declaration released in Brasilia on the first anniversary of the peace agreement, the guarantor countries expressed their "satisfaction for the important progress made," and announced that they are ready "to evaluate an eventual request by the parties for extending the presence of the MOMEP for a limited period."

The declaration recalls that the guarantor countries are partipating in the process at the request of the parties involved, but they pointed out "that carrying out that task requires having autonomy, in the sense of having the ability to express themselves with regard to the course of the peace process in a way and at a time deemed appropriate."

Ecuador and Peru signed an agreement called the Itamaraty Peace Declaration in Brazil on 17 February 1995. This agreement led, 11 days later, to the end of the military confrontation that began on 26 January over a territorial conflict in the Amazon region.

The military conflict, which was the third in 55 years, lasted from 26 January to 28 February 1995.

Regarding the declaration released by Argentina, Brazil, Chile, and the United States, which are the guarantor countries of the 1942 Rio de Janeiro Protocol and the 1995 peace agreement, Foreign Minister Leoro said that "we receive it as an indication of the political will" of the four countries, which offer their "cooperation and participation to continue until a solution is found on this issue."

Regarding the treatment of the "basic" problems (the subsistent impasse), Leoro said there is agreement to deal with this issue in Brasilia and that "the Brazilian Government has immediately accepted."

Regarding the information related to the alleged deployment of Peruvian troops at the border with Ecuador, Ecuadoran Defense Minister Alfonso Alarcon said today that "the MOMEP knows about that report."

In this regard, Alarcon added that the MOMEP "logically will take action to make the two countries fulfill the fifth point (demilitarization and demobilization in the conflict area) to be able to deal with the sixth point of the Itamaraty Peace Declaration (the treatment of the territorial problems)."

Alarcon said, however, that the reports about alleged mobilizations at the border are not true, and insisted that "the situation is normal in that region; there is peace, and relations are cordial."

General Jorge Ortega, chairman of the Armed Forces Joint Command, said that "we (the Armed Forces) will continue to make recommendations," but he declined to give any futher information in this regard.

General Ortega added: "The peace process continues, and we will not stop it at any time. On behalf of Ecuador, the government, and the Armed Forces, we

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will do everything possible for the peace process to continue."

Ecuadoran, Peruvian Armed Forces Chiefs To Meet in Mar

PY1902164796 Madrid EFE in Spanish 1926 GMT 18 Feb 96

[FBIS Translated Text] Quito, 18 Feb (EFE) — It was reported today that the Ecuador-Peru Military Observers Mission (MOMEP) has disclosed that the chiefs of the Armed Forces joint commands of Ecuador, Jorge Ortega, and of Peru, Nicolas de Bari Hermoza, have agreed to meet in Quito and Lima, respectively, in early March.

According to the daily EL UNIVERSO, the military chiefs will meet on 1 March in Quito and on 4 March in Lima to discuss "military issues that will grant the two parties the necessary confidence and remove the possibilities of a new armed clash."

Military officers of Argentina, Brazil, Chile, and the United States comprise the MOMEP and supervise "in situ" the fulfillment of the peace agreements signed by Ecuador and Peru on 17 February 1995, in the midst of the military conflict in the Amazon that ended 11 days later.

EFE was unable to confirm with official sources EL UNIVERSO's report asserting that the meetings are sponsored by the MOMEP, which has proposed to Generals Ortega and De Bari Hermoza an agenda of activities to which they may make their objections or contributions.

Ortega and De Bari Hermoza met for the first time on 11 February at landmark No. 21, Yaupi-Santiago, where they participated in a ceremony to uphold peace within the framework of the peace process in which the two countries are involved.

The meeting will be presided over by the MOMEP Higher Consultative Committee, the highest authority of this peace mission in the conflict zone.

Ecuador and Peru engaged in a war between 26 January and 28 February 1995 in an inhospitable region in the Amazon, in the Cenepa River valley, where they have a territorial dispute.

Ecuadoran Official on Guarantor Declaration

PY1702003196 Quito Voz de Los Andes in Spanish 2300 GMT 16 Feb 96

[FBIS Translated Text] According to the National Communications Secretariat, Deputy Foreign Minister Marcelo Fernandez de Cordoba said today that the Itamaraty [Brazilian Foreign Ministry headquarters] Declaration opens the possibility of peaceful negotiations between Ecuador and Peru.

Fernandez de Cordoba pointed out that this is the first time in decades that Ecuador is directly negotiating the border conflict; therefore, Ecuador must continue with the dynamism of the peace process, for stopping it would be dangerous.

After making an evaluation of the peace process, Fernandez de Cordoba said that the process has been thoroughly fulfilled in terms of its first part and that the doors are opened to find a solution to the Ecuadoran-Peruvian territorial conflict on the basis of the Itamaraty Peace Agreement.

Regarding the trip by President Sixto Duran-Ballen to Trujillo, Peru, within the framework of the Andean Pact summit, Fernandez de Cordoba said this is a multilateral meeting, but he does not discard the possibility of a bilateral agreement with Peruvian President Alberto Fujimori.

Ecuadoran President Appeals for Unity

PY1902165096 Madrid EFE in Spanish 1852 GMT 18 Feb 96

[FBIS Translated Text] Quito, 18 Feb (EFE) — It was disclosed today that Ecuadoran President Sixto Duran-Ballen asserted that the military problem with Peru has not ended and made an appeal for "unity" to all his fellow countrymen so that he may attend the Andean Pact summit, to be held in Peru, with nationwide support.

"The military problem between Ecuador and Peru has not ended; we have just begun to resolve it," according to the president, who said that in order to have a positive participation at the heads of state meeting in Peru, he "needs the country's support, needs nationwide unity."

Ecuador and Peru maintain a dispute over a portion of territory in the Amazon. The two countries engaged in a war between 26 January and 28 February 1995 at the head waters of the Cenepa River, 350 km south of Quito.

In statements made on the Galapagos Islands that were broadcast today in Quito, the president said that "I need to know whether I have the Ecuadoran people's authorization to continue this peace process."

The president is visiting the Galapagos Islands, where he is dedicating works carried out by his government. The four-year mandate for which Duran-Ballen was elected ends on 10 August.

The Andean summit is scheduled to be held on 8-10 March in Trujillo (Peru), and Duran-Ballen has not ruled

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out the possibility that on the occasion of the meeting he will hold a bilateral dialogue with Peruvian President Alberto Fujimori. He asserted: "It is quite likely we will have the opportunity to hold a direct dialogue."

We hope to reach a definitive solution, and for this the Ecuadoreans need a spirit of unity," Duran Ballen reiterated, and added that "I make an appeal to unite around the president, which goes well beyond Duran-Ballen alone."

On 17 January in Lima, Ecuadoran Foreign Minister Galo Leoro and Peruvian Foreign Minister Francisco Tudela began negotiations designed to determine the mechanisms that will allow the two countries to tackle the existing territorial problems between the two Andean nations.

Leoro and Tudela will meet again in Quito on 22-23 February to continue the negotiations.

Ecuador: Petroecuador President Discusses Agenda

96SM0093A Quito EL COMERCIO in Spanish 22 Jan 96 p A2

[Report on interview with Petroecuador President Brig. Gen. Patricio Lopez; place and date not given]

[FBIS Translated Text] *The military officer who manages the most important company in the country has his plans and his ideas on how to solve the sector's problems. For example, he says, the petroleum companies that operate through services contracts have to account for their activities; the state cannot subsidize them. He says that he will reach a decision in the matter of Captain Villota.*

He was not President Sixto Duran-Ballen's aide de camp, but they are bound by a great friendship. He is confident and very sure of being able to manage wisely the presidency of Petroecuador, the most important company in the nation's economy.

"I will go forward. I like challenges, and this is one of the most important because what is at stake is the state's greatest resource. This is a challenge that I have accepted." Patricio Lopez is speaking, a brigadier general close to 50 years of age, although he looks younger.

He arrived at Petroecuador at a difficult moment, when accusations of corruption in that sector began to spread.

After three weeks on the job, he has many plans "that keep me excited" and problems "that keep me awake." Lopez has met with the workers, because "corruption also comes from below and not only from above," although he emphasizes the importance of the workers in the institution.

This week he will meet with all of Petroecuador's supplier companies to have them sign a notarized behavior charter in order "neither to corrupt nor to allow oneself to be corrupted." While the payment of commissions to government officials is institutionalized in the country, he wants to protect the company from illegalities. He will also make his first visit to the Esmeralda refinery, together with the managing director of Petroindustrial, Edmundo Brown, to observe the work of expanding the plant to 110,000 barrels a day. Lopez has learned of a delay in the schedule and in the completion of the project, expected for 1997. In order to complete the new administrative organization, the fourth member of the Administrative Council and the managing director of International Commerce still must be appointed. Lopez gave an exclusive interview to this newspaper.

[EL COMERCIO] Which group of advisors will you rely on to clean up the company, because, usually, they are the same ones that go from one administration to the next, and the person in charge can be caught up in a vicious circle.

[Lopez] I have the best advisors, who have a basic foundation: technical ability and honesty. This is what I have looked for in forming the Council of Administration, as with the management of the three affiliates. Personnel are being replaced who, in one way or another, took part in illegitimate authorizations, reports, acceptances, or invitations to bid.

[EL COMERCIO] What impressed you most in your first sight of Petroecuador?

[Lopez] If I told you about all of the internal problems of Petroecuador, you would not believe me. One of them, the authoritarianism of managers, who have imposed their will. Now we aim to be efficient, and everyone is called upon to follow that policy.

[EL COMERCIO] Will you do it in seven months?

[Lopez] There is little time, but we must make up for lost time.

[EL COMERCIO] What is the weakness that allowed corruption to flourish? Is the firm's internal auditing working, which might have prevented irregularities?

[Lopez] Yes and no. The auditor's office is part of the political directorate. But what I want now is for audits to be conducted jointly with the Office of the State Comptroller General, in order to have complete and first hand information.

[EL COMERCIO] Did the private marketing companies learn their lesson in the diesel scandal?

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[Lopez] There was a problem with diesel fuel and, if we do not face up to it, we will continue to have it. It is a case in which the culprits are clearly identifiable. There could be another one tomorrow, because, unfortunately, the disposition in the country is to take advantage of the opportunities that the market offers.

If a large margin exists between prices, the dealing begins. One example is diesel fuel for fishing boats. I am not speaking ill of the private marketing companies, but many of them take advantage of situations to make profits. This is why three of these companies were closed.

[EL COMERCIO] What will you do to recover the fees that the Finance Ministry has charged to Petroecuador, and the credits from Inecel [Ecuadoran Institute of Electrification] and the Armed Forces to Petrocomercial, for the purchase of diesel fuel?

[Lopez] I have spoken with the minister of finance. We are resolving the problem by means of compensations. From the weekly accounts that we turn over to that portfolio, we retain a percentage for our use.

[EL COMERCIO] How is your relationship with the unions?

[Lopez] Very good. I have met with the union leaders eight or nine times since I have been with the firm, because they represent the basic foundation of Petroecuador. Without workers or a social conscience, what is management for? I have always seen the human side of people. The conscripts, at the bottom, create unity, and we who are over them must think about them. As a military officer, I have sought the support of the poorer classes, of the Indians in their wilderness, and of the slum dwellers.

[EL COMERCIO] Was there pressure from any quarter over new appointments to positions in Petroecuador and its affiliates?

[Lopez] No. There were suggestions. For example, the workers proposed their candidates and several were chosen, because they come from the union and they must be promoted. This is the case with the manager of Petroproduccion, who, at 36 years of age, has a difficult task ahead. I am not influenced by pressure. One group asked me to support certain persons, and others asked that I not appoint them. We are not moving slowly, we are moving decisively.

[EL COMERCIO] The criticism that changes were not taking place was made because of charges that officials who had resigned because of the fuel problem were going to be reassigned to other departments of Petroecuador.

[Lopez] The press enables us to direct our efforts accurately, because it tells us what is being done wrong, and I like that. It is the only way to correct mistakes.

[EL COMERCIO] There is still the case of one of the members of the Council of Administration, who has been transferred to Petroproduccion...

[Lopez] I have received two requests from Carlos Loor to be assigned to Petroecuador, but he must go. He was a member of the Council of Administration that, to a certain extent, was the office responsible for having authorized the purchase of fuel. Those who must go will go. I am respectful of the laws and of the administration of justice.

[EL COMERCIO] What will you do with Petrocomercial's gasoline company?

[Lopez] It must be the market regulator and become competitive, but the law will have to be changed. A consulting firm is going to do a study of the subject. Petrocomercial used to have a direct line to the minister of energy, and the president of Petroecuador did not know anything. It is different now.

[EL COMERCIO] What about the case of Captain Gracian Villota, who was an official in Petroecuador and implicated in the death of Professor Consuelo Benavides? Why was his leave authorized until 17 December 1995, one day after the accusation ran out?

[Lopez] I have ordered the administrative director to investigate. I spoke by telephone with Doctor Benavides (Consuelo's sister) and I personally will do so again today. I have requested a summary administrative report in order to determine why leave was granted for the two previous months, precisely when the accusation was going to run out. The persons involved will have to justify their actions.

And Services?

The companies that provide services, Maxus, Oryx and Tripetrol, are asking for changes in their contracts, from provision of services to participation. The President of Petroecuador, Patricio Lopez, has the answers.

[EL COMERCIO] What is your policy regarding the requests of the three oil companies about the provision of services?

[Lopez] We have to see what their projections are for the future, and if the state, in one way or another, is subsidizing their operations. There is competition, but they will have to prove to me that the development of the oil fields during their years of operation has benefitted the country.

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[EL COMERCIO] Could you abrogate these contracts if it turns out that they do not met the standards you have just described?

[Lopez] I will not act before learning the facts. Once I learn them and begin to negotiate, we will see what their position is. We are obliged to obtain the best economic conditions for Ecuador. There will be no deals here that are not legal and honest. In saying that, we do not intend to frighten away private enterprise or threaten to eliminate it.

[EL COMERCIO] What guarantees does the state offer them?

[Lopez] That they are dealing with a reliable state. One example is the eighth round of bidding.

[EL COMERCIO] If the bid submissions are received in March, are not the five months remaining to the government too few to reach agreement on the terms of the contracts and to sign them before 10 August?

[Lopez] It would be worse to do nothing, to fold my arms and say "let the next government do it."

No More Cheating

As part of its security program, Petroecuador will adopt sophisticated control systems to prevent corruption in the transportation and delivery of fuel. "There will be no more cheating at the state's expense," said the president of the state enterprise.

A report by a qualified international firm said that the theft of fuel is institutionalized.

Lopez said that the first project was the automization of terminals (mainly Pascuales and El Beaterio) and production, and integration of data. The Scada system will be adopted in the Esmeraldas-Quito-Ambato and the Shushufindi-Quito pipelines, and in the pipelines on the coast, in order to modernize the instrumentation and control of the stations, and for the measurement of tanks and detection of leaks. The data will be integrated at the various control levels. The arrival and departure of tank trucks in the terminals will be monitored.

Custody of Property

The president of Petroecuador is committed to the elimination of corrupt activity.

He will put a number of systems in operation to prevent corruption in the enterprise.

One of the measures being put into effect is the rotation within the company and its affiliates of executive level administrative personnel.

In addition, unannounced inspections have begun in operations areas to discover illegal activity.

The Security Department has been reorganized. "This has nothing to do with physical security, which is determined by our own actions, but with security of the state's resources, aimed at lessening the possibility of losses."

Patricio Lopez has already contracted the specialized firm Bureau Veritas of Ecuador, which will monitor Petroecuador's operations.

Peru

Peru Views 'Favorable' Development of Talks With Ecuador

PY1702003396 Madrid EFE in Spanish 2058 GMT 16 Feb 96

[FBIS Translated Text] Lima 16, Feb (EFE) — The Peruvian Government today exhorted Ecuador and the guarantor countries to cooperate in ending the negotiations for establishing the procedures for solving the "subsistent impasse" mentioned in the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Declaration during the upcoming meeting of foreign ministers in Quito.

On the first anniversary of the peace declaration, which was signed on 17 February 1995 in Itamaraty, the Brazilian Foreign Ministry, the Lima government expressed "its satisfaction over the favorable development achieved in the process of normalizing mutual relations" in accordance with this international agreement.

Peru reiterated its gratitude to Argentina, Brazil, Chile, and the United States, the guarantor countries of the 1942 Rio de Janeiro Protocol, "for their invaluable participation in the efforts to create an atmosphere of peace and understanding between Peru and Ecuador."

It also reaffirmed its "strong will" to continue making progress in this process, within the framework of international law, and especially of the mechanisms linking the two countries.

The Foreign Ministry has stated that "in view of the upcoming second meeting of foreign ministers in Quito on 22-23 February, the Peruvian Government reiterates its strong will to end the negotiations for establishing the procedures to comply with the commitments made in the Itamaraty Peace Declaration."

It also urged the Ecuadoran Government and the guarantor countries "to try to achieve this goal in the upcoming foreign ministerial meeting."

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The first meeting between Peruvian Foreign Minister Francisco Tudela and his Ecuadoran counterpart Galo Leoro, which was established in the peace declaration, was held in Lima on 17-18 January. On that occasion, the two countries agreed to continue the talks in Quito.

Minister: Peru Rejected Ecuador's Accord Proposal in Jan

PY2002025596 Madrid EFE in Spanish 0223 GMT 20 Feb 96

[FBIS Translated Excerpt] Lima, 19 Feb (EFE) — Peruvian Foreign Minister Francisco Tudela said today that his country rejected Ecuador's proposal to sign a nonaggression pact during the meeting between Tudela and his Ecuadoran counterpart Galo Leoro this past January in Lima.

Tudela told the ANDINA news agency that Peru considers a nonaggression pact to be an "ominous idea" for the international community. Tudela also recalled that war is prohibited by the UN Charter. He added: "In this regard, the UN Charter is the only nonaggression pact prevailing between the countries that signed it. If war is prohibited, how can two countries sign a pact not to do something that is prohibited?"

Tudela revealed that the proposal was made by Ecuador during the meeting held this past 17-18 January. Reports from Quito on 16 February noted that Ecuadoran officials have reiterated their intention to propose a nonaggression pact. [passage omitted]

Ecuadorean Killed During Incident on Peruvian Border

PY1902152596 Madrid EFE in Spanish 1635 GMT 17 Feb 96

[FBIS Translated Text] Lima, 17 Feb (EFE) — It was disclosed in Lima today that one Ecuadoran citizen died during a confusing incident in Tumbes Department, Peruvian territory, on the border between Peru and Ecuador.

Two Peruvian citizens were also wounded during the incident, which took place in Aguas Verdes district, in which Ecuadoran citizen Jose Jacobo Mogrovejo Torres was killed by a bullet.

According to eyewitnesses, the shootout took place during the evening of 15 February, when members of a civil defense squad who safeguard order, and are known as "ronderos" [patrollers], stopped three people who refused to identify themselves.

According to the Lima daily EL COMERCIO, the unidentified individuals crossed the border and started shooting from Ecuadoran territory.

EL COMERCIO reports that Mogrovejo died at the first aid post in Aguas Verdes, where he was taken by the "ronderos" for treatment.

Attorney Jose Del Carmen de la Cruz certified the death of the Ecuadoran citizen, whose body is at the morgue in Tumbes.

The Peruvian "ronderos" patrol various hamlets in the zone due to the presence, "more and more frequent, of Ecuadoran delinquents who trespass into Peruvian territory to carry out their misdeeds."

Venezuela

IMF-Venezuela Talks on Ending Exchange Control Continue

PA2002002496 Caracas EL NACIONAL in Spanish 15 Feb 96 p E1

[Report by Yolanda Ojeda Reyes]

[FBIS Translated Text] The IMF technical mission, which is discussing the formal agreements with Venezuela and is led by Carlos Muniz, has voiced its protest over the way Venezuelan negotiators are handling the negotiations, which are "deadlocked." Nevertheless, the IMF has reportedly understood that the country needs to dismantle the exchange control before signing an agreement.

During the meeting with the exchange policy advisory technical group, it was seen there is a strategy by the Finance Ministry to make public opinion believe the negotiations continue to be held normally when in fact they are high level talks of working groups that have no decisionmaking power.

These meetings of the tax and exchange mission respond to the normal requests that an IMF-member country makes to receive technical advice. Sources accredited in Washington report the IMF members are concerned because it is claimed there has been "progress" in the signing of an agreement when in fact, reality is different.

As part of the efforts of the various sectors, Finance Minister Luis Raul Matos Azocar "will send" another "mission" in the next few days. It will be led by Roberto Guiusti, president of Pdvsa [Venezuelan Petroleum, Inc.] to "negotiate" the gasoline increase. This issue has really become the "thorn in the side." Different options have been proposed. The IMF has said: it should be increased, at least restoring the December level, and then there should be a "gradual" timetable.

As for the imminent decision to dismantle the exchange control to give way to a new system, both the BCV [Central Bank of Venezuela] and the IMF have been

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reluctant to accept that proposal, under the argument that Venezuela lacks an adjustment program supported by the multilateral organization. Nevertheless, both institutions have understood the reasons for this measure in view of the economic emergency and the inoperativeness of the control mechanism (OTAC [Exchange Administration Technical Office] and JAC [Exchange Administration Board]). The thesis of the Finance Ministry is that given the levels of liquidity in bolivares and international reserves in dollars, the dismantling of the exchange control would not be "dramatic." It was done in 1989 without yet having signed an official agreement with the IMF and with reserves amounting to $1.5 billion.

The IMF even suggested "leaving things as they are" until the agreement is signed." [quotation marks as published] Nevertheless, the Venezuelan side, in an action more "neoliberal than the IMF," was able to convince the IMF of this need. The proposal received a green light.

In the last meeting, the multilateral organization expressed its concern over the negative signal the BCV sent through its monetary policy. The IMF mission does not understand how prior to the dismantling of an exchange control, a new minimum bank reserve is established and interest rates are lowered. This situation is also being analyzed by the Finance Ministry "because they knocked down the strategy," a source revealed.

Venezuela's IDB Refuses To Finance Minining Development

PA1902183596 Caracas ECONOMIA HOY in Spanish 16 Feb 96 p 3

[FBIS Translated Text] The IDB has refused to finance the development of the Venezuelan Loma de Hierro mining project, because it believes that the mining bill favors the government and that there is a climate of economic indefiniteness and legal insecurity in the country.

The rejection of the financing by the IDB Analysis Committee for Private Sector Projects implies that Anglo American South America (Amsa) will immediately stop its efforts to purchase the nickel mine in Aragua State. The sale of this mine would have represented approximately $500 million in new income for the government.

The project's promoters have been unable to obtain financing from the IDB, from the funds set aside for the private sector. The main reason is that a majority of the members of the commission of this multilateral organization believes that conditions for the development of mines in Venezuela are inadequate because of an absence of policies to resolve the country's financial and economic crisis and a lack of appropriate regulations for the development of the mining sector.

The IDB believes the bill presented in the national congress favors the state, because it includes exaggerated regulations that create legal insecurity for large investors in the area.

One must keep in mind that other regions in Latin America, such as Peru, Chile, and Argentina, are promoting modern regulations to attract foreign risk capital toward investment in the mining sector, with lower tax rates and simple, not optional, measures to ensure these long-term investments. The exact opposite is occurring with the Mining Bill, which has not been considered a priority despite the government's alleged interest in attracting foreign capital, that Congress is discussing.

Venezuela's Central Budget Office Estimates 1996 Figures

PA1802181896 Caracas EL UNIVERSAL in Spanish 15 Feb 96 p 2-1

[Report by Alfredo Carquez Saavedra]

[FBIS Translated Text] Caracas — According to a source who asked to remain unnamed, the executive decided to "save" some 323 million bolivares to meet anticipated difficulties in the national banking system. This amount, however, will not be included in the National Budget Bill for 1996, the source added. The technical term for this operation is allocation "under the line," and the purpose is to put the money at the disposal of the Deposit Guarantee and Banking Protection Fund [Fogade].

The amount is presented in a document drafted by the Central Budget Office [OCEPRE] and divided into equal sums of 80.768 billion bolivares for each quarter.

Such disbursements have been placed in the capital expenses line and represent 29.4 percent of the total assigned for this purpose, this is to say, 1.9682 trillion bolivares.

In this OCEPRE scenario, the central administration's total revenue stands at 4.5285 trillion bolivares and the expenses at 5.146 trillion bolivares.

Consequently, the deficit stands at 486.125 billion bolivares, or close to 2 percent of the GNP. Nevertheless, this objective, which is Finance Minister Raul Matos Azocar's goal for this year, could end up being much higher, if the privatization schedule is not complied with as planned. If so, the gap would be 822.125 billion bolivares, or 3.81 percent of the GNP.

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The expenses and revenue anticipated for 1996 can be broken down thus:

Current expenses are estimated at 3.9178 trillion bolivares. This line includes (it must be observed that this scenario does not take into consideration the recent decree raising salaries) 670.066 billion for remunerations; 145.229 billion for goods and services; 1.5759 trillion for the payment of interest (local: 849.348 billion, foreign: 726.530 billion); 1.2707 trillion for current transfers; 172.305 billion for Central Bank of Venezuela losses, and 83.647 billion for bonds payment.

The capital expenses represent 1.9682 trillion bolivares. Of this amount, 314.109 billion are earmarked for direct investment; 782.711 billion, for capital transfers and investment; 339.218 billion, for regional institutions; 120.422 billion for other transfers and financial investment, and 323.071 billion, for Fogade.

Current revenue stands at 3.7925 trillion. Oil would contribute 1.2925 trillion; income tax, 488.780 billion; customs, 354.816 billion; and sumptuary consumption and wholesale taxes, 976.900 billion. In addition, 679.524 billion are expected from other income. Of these, 79.375 billion would be brought by the sale of gasoline and other oil byproducts.

Finally, the capital income is estimated at 736 billion bolivares; 400 million are expected from Venezuela Petroleum, Inc.'s dividends and 336 billion from the sale of some state enterprises.

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